

**CFMMEU NORTHERN MINING & NSW ENERGY DISTRICT BRANCH**

**GENERAL FUND**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

This document contains confidential and privileged information. The information is intended for the use of members of the CFMMEU Northern Mining & NSW Energy District Branch only, any other recipient is requested to immediately notify us by telephone on (02) 4990 7600 and return the document. The confidentiality and privilege which attaches to this document will not be waived or lost for mistaken postage or transmission.

**INDEPENDENT AUDITORS REPORT TO MEMBERS OF**

**CFMMEU NORTHERN MINING & NSW ENERGY DISTRICT BRANCH  
GENERAL FUND**

**Report on the Audit of the Financial Report**

**Opinion**

I have audited the financial report of the CFMMEU Northern Mining & NSW Energy District Branch General Fund (the Reporting Unit), which comprises the statement of financial position as at 31 December 2019, the statement of income & expenditure and statement of changes in equity for the year ended 31 December 2019, notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of CFMMEU Northern Mining & NSW Energy District Branch General Fund as at 31 December 2019, and its financial performance for the year ended on that date in accordance with:

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

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

**Basis for Opinion**

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

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

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

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

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

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

**Responsibilities of Committee of Management for the Financial Report**

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

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

**Auditor's Responsibilities for the Audit of the Financial Report**

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

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

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

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

I declare that I am an auditor registered under the RO Act.

## **LINDBECK PARTNERS**

**B N LINDBECK**  
**Partner**

Cardiff  
5 March 2019

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/195

**CFMMEU NORTHERN MINING & NSW ENERGY DISTRICT BRANCH**

**GENERAL FUND**

**STATEMENT OF FINANCIAL POSITION**

**AS AT 31 DECEMBER 2019**

	NOTES	2019 \$	2018 \$
<b>CURRENT ASSETS</b>			
Cash on hand & at bank		1,649,471	542,498
Membership contributions receivable		149,449	201,540
Other debtors & prepayments		904,658	673,137
Deposit		<u>672</u>	<u>672</u>
		<u>2,704,250</u>	<u>1,417,847</u>
<b>NON CURRENT INVESTMENTS</b>	3	12,779,697	13,173,825
<b>FIXED ASSETS</b>	4	2,242,807	2,277,600
<b>TOTAL ASSETS</b>		<u><u>17,726,754</u></u>	<u><u>16,869,272</u></u>
<b>CURRENT LIABILITIES</b>			
Accounts payable		686,294	648,142
GST liability		80,125	15,192
Provision for annual & sick leave		<u>1,463,057</u>	<u>1,457,075</u>
		<u>2,229,476</u>	<u>2,120,409</u>
<b>NON CURRENT LIABILITIES</b>	5	<u>359,373</u>	<u>352,235</u>
<b>TOTAL LIABILITIES</b>		<u><u>2,588,849</u></u>	<u><u>2,472,644</u></u>
<b>NET ASSETS</b>		<u><u>15,137,905</u></u>	<u><u>14,396,628</u></u>
<b>ACCUMULATED FUNDS</b>		<u><u>15,137,905</u></u>	<u><u>14,396,628</u></u>

The attached notes form an integral part of these financial statements

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**CFMMEU NORTHERN MINING & NSW ENERGY DISTRICT BRANCH**

**GENERAL FUND**

**STATEMENT OF INCOME & EXPENDITURE**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

	NOTES	2019 \$	2018 \$
<b>INCOME</b>			
Contributions received		7,867,106	7,174,949
Administration fees		126,261	130,131
Dividends received		92,567	114,219
Fair value gains		754,645	-
Interest received		274,748	241,388
Medical & legal fees reimbursed		152,451	204,589
National Assistance Fund reimbursement		2,789,242	784,055
National Campaign Fund contributions		-	692,709
Rent received		10,400	10,400
Rent received - residential		29,067	32,622
Special Assistance Fund contributions		489,160	390,258
Trust distributions received		123,337	120,012
Profit on sale of investments		221,522	246,347
Other income	6	539,182	1,024,509
		<u>13,469,688</u>	<u>11,166,188</u>

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**GENERAL FUND**

**STATEMENT OF INCOME & EXPENDITURE**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

	NOTES	2019 \$	2018 \$
INCOME		<u>13,469,688</u>	<u>11,166,188</u>
<b>DEDUCT EXPENSES</b>			
Accountancy fees		-	4,463
Advertising		8,803	8,924
Affiliation fees	7	86,352	79,643
Audit fees		50,500	50,500
Bank charges		9,495	9,344
Board of management expenses		83,702	112,460
Cleaning		26,339	25,174
Commissions		44,688	45,485
Contributions CFMMEU Mining & Energy Division Central Office		3,072,380	3,564,991
Delegates expenses	8	362,559	331,506
Depreciation & loss on sale of fixed assets		283,524	224,685
Discretionary investment management expenses		39,276	38,081
Donations & wreaths		28,809	27,810
Election expenses		14,551	9,719
Electricity		34,971	34,770
Fair value losses		-	507,980
Fringe benefits tax		136,902	101,884
Functions & entertainment		17,613	15,695
Funeral fund subsidy		260,171	249,018
General expenses		12,543	21,710
Hire of plant & equipment		32,329	31,728
Industrial action/campaign expenses	9	2,223	299
Insurance		113,460	122,113
Journals & other periodicals		14,578	14,175
Land tax		1,101	1,047
Legal expenses	10	57,169	62,253
Lodge subsidies		674,768	607,802
Loss on sale of investments		295,516	193,867
Medical expenses		137,549	151,612
Motor vehicle expenses	11	120,929	117,017
Payroll tax		194,018	217,456
Printing, postage & stationery		47,224	56,797
Provision for annual & sick leave		455,879	528,244
Provision for long service leave		10,902	27,939
Provision for LSL trf to National Office		-	41,316
Rates		17,045	19,226
Rental property expenses		13,745	18,268
Repairs & maintenance	12	107,972	76,694
Security		5,455	5,054
Strike pay & NAF payments		2,789,242	784,055
Staff training & development		4,334	3,050
Superannuation		370,097	427,773
Telephone & SMS		27,540	48,080
Travelling expenses		65,349	68,389
Visitor amenities		12,140	14,977
Wages - officials		1,465,229	1,670,918
Wages - office staff		1,119,440	1,051,019
<b>TOTAL EXPENSES</b>		<u>12,728,411</u>	<u>11,825,010</u>
<b>NET OPERATING SURPLUS/(DEFICIT) FOR THE YEAR</b>		<u>741,277</u>	<u>(658,822)</u>

The attached notes form an integral part of these financial statements

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GENERAL FUND

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	NOTES	2019 \$	2018 \$
Net operating surplus/(deficit)		741,277	(658,822)
Income tax expense	1(d)	-	-
Net surplus/(deficit) after income tax		<u>741,277</u>	<u>(658,822)</u>
Abnormal items		-	-
Net surplus/(deficit) after abnormal items		<u>741,277</u>	<u>(658,822)</u>
Accumulated funds 1 January 2019		<u>14,396,628</u>	<u>15,055,450</u>
ACCUMULATED FUNDS 31 DECEMBER 2019		<u><u>15,137,905</u></u>	<u><u>14,396,628</u></u>

The attached notes form an integral part of these financial statements

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### 1. STATEMENT OF ACCOUNTING METHODS

The Financial Statements are prepared under the historical cost convention and in accordance with applicable Australian Accounting Standards. In particular:

- (a) The accounts have not been adjusted to record either changes in the general purchasing power of the dollar or in prices of specific assets.
- (b) Depreciation of fixed assets is calculated on the straight line and reducing balance basis in order to write the assets off over their useful life.
- (c) Provision for employee benefits in the form of Accrued Annual Leave, Sick Leave and Long Service Leave have been made for the estimated accrued entitlements of all employees on the basis of their terms of employment.
- (d) No provision for income tax is necessary, as the Union (being a registered Industrial Trade Union) is exempt from tax under s.50-15 of the Income Tax Assessment Act.

#### 2. INFORMATION TO BE PROVIDED TO MEMBERS OR THE COMMISSIONER OF ROC

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

Information to be provided to members or Commissioner:

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

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 \$	2018 \$
<b>3. NON CURRENT INVESTMENTS</b>		
Shares in listed companies	2,096,513	2,603,171
Units in listed managed funds	2,098,100	1,462,502
Units in unlisted managed funds	1,161,420	796,041
Listed fixed interest securities	673,664	686,056
Term deposits	6,750,000	7,626,055
	<u>12,779,697</u>	<u>13,173,825</u>
<b>4. FIXED ASSETS</b>		
Freehold land (at cost)	<u>331,163</u>	<u>253,254</u>
Freehold buildings (at cost)	1,664,750	1,683,500
Accumulated depreciation	<u>949,348</u>	<u>919,050</u>
	<u>715,402</u>	<u>764,450</u>
Investment properties (at fair market value)	<u>615,000</u>	<u>672,700</u>
Plant & equipment (at cost)	400,725	389,095
Accumulated depreciation	<u>266,488</u>	<u>259,101</u>
	<u>134,237</u>	<u>129,994</u>
Office equipment (at cost)	435,457	430,964
Accumulated depreciation	<u>400,859</u>	<u>392,314</u>
	<u>34,598</u>	<u>38,650</u>
Furniture & fittings (at cost)	376,672	376,672
Accumulated depreciation	<u>327,423</u>	<u>321,897</u>
	<u>49,249</u>	<u>54,775</u>
Motor vehicles (at cost)	471,761	444,347
Accumulated depreciation	<u>108,603</u>	<u>80,570</u>
	<u>363,158</u>	<u>363,777</u>
<b>TOTAL FIXED ASSETS</b>	<u><u>2,242,807</u></u>	<u><u>2,277,600</u></u>
<b>5. NON CURRENT LIABILITIES</b>		
Provision for long service leave	<u>359,373</u>	<u>352,235</u>
	<u><u>359,373</u></u>	<u><u>352,235</u></u>

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**FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019	2018
	\$	\$
<b>6. OTHER INCOME</b>		
Check inspectors subsidy	25,525	25,000
AUSCOAL Superannuation Pty Ltd Directors fees	106,450	100,838
Sale of Federation merchandise	1,428	3,328
Wages reimbursement & subsidy	100,553	111,103
CFMMEU - National Conference allowances	-	5,780
CFMMEU Local Admin - AGM accommodation	16,509	14,000
Coal Mining Industry (LSL Funding) Corporation Directors fees	10,744	12,838
Coal Services Pty Ltd Directors fees	100,938	91,555
LSL reimbursement (K Shaw)	54,647	-
National Assistance Fund - diversion of contributions	-	234,155
Newsletter & membership card advertising	6,000	6,000
Proceeds insurance claim building damage	25,116	-
Proceeds Local Lodge closure	-	110,231
Sponsorship Delegates AGM	30,397	16,364
Workers compensation claim	27,596	230,553
Other income	33,279	62,764
	<u>539,182</u>	<u>1,024,509</u>
<b>7. AFFILIATION FEES</b>		
Australian Labour Party	39,157	36,697
Newcastle Trades Hall Council	15,058	13,725
Unions NSW	32,137	29,221
	<u>86,352</u>	<u>79,643</u>
<b>8. DELEGATES EXPENSES</b>		
AGM attendance fees	93,115	78,279
AGM costs	131,715	118,853
Delegates training fees	22,574	15,173
Delegates meetings	112,825	95,817
National Convention expenses	-	-
Other expenses	2,330	23,384
	<u>362,559</u>	<u>331,506</u>
<b>9. INDUSTRIAL ACTION/CAMPAIGN EXPENSES</b>		
Ballot expenses incurred	-	-
Less reimbursement of expenses	-	-
Other expenses	2,223	299
	<u>2,223</u>	<u>299</u>
<b>10. LEGAL FEES</b>		
Industrial matters	27,724	30,631
Workers compensation	29,445	30,842
Other matters	-	780
	<u>57,169</u>	<u>62,253</u>

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## FINANCIAL STATEMENTS

	2019	2018
	\$	\$
11. MOTOR VEHICLE EXPENSES		
Petrol & oil	58,979	60,535
Registration & insurance	42,339	40,460
Repairs & maintenance	19,611	16,022
	<u>120,929</u>	<u>117,017</u>
12. REPAIRS & MAINTENANCE		
Computer & IT maintenance	49,446	47,870
Building & equipment maintenance	58,526	28,824
	<u>107,972</u>	<u>76,694</u>

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