

CFMMEU NORTHERN MINING & NSW ENERGY DISTRICT BRANCH

GENERAL FUND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020, the statement of income & expenditure and statement of changes in equity for the year ended 31 December 2020, 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 2020, 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
14 April 2021

CFMMEU NORTHERN MINING & NSW ENERGY DISTRICT BRANCH

GENERAL FUND

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	NOTES	2020 \$	2019 \$
CURRENT ASSETS			
Cash on hand & at bank		2,088,040	1,649,471
Membership contributions receivable		194,669	149,449
Other debtors & prepayments		597,537	904,658
Deposit		672	672
		<u>2,880,918</u>	<u>2,704,250</u>
NON CURRENT INVESTMENTS	3	13,659,132	12,779,697
FIXED ASSETS	4	2,499,742	2,242,807
TOTAL ASSETS		<u>19,039,792</u>	<u>17,726,754</u>
CURRENT LIABILITIES			
Accounts payable		1,060,916	686,294
GST liability		118,570	80,125
Provision for annual & sick leave		1,672,852	1,463,057
		<u>2,852,338</u>	<u>2,229,476</u>
NON CURRENT LIABILITIES	5	397,273	359,373
TOTAL LIABILITIES		<u>3,249,611</u>	<u>2,588,849</u>
NET ASSETS		<u>15,790,181</u>	<u>15,137,905</u>
ACCUMULATED FUNDS		<u>15,790,181</u>	<u>15,137,905</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 2020

	NOTES	2020 \$	2019 \$
INCOME			
Contributions received		8,163,587	7,867,106
Administration fees		302,251	126,261
Dividends received		71,550	92,567
Fair value gains		338,856	754,645
Interest received		132,096	274,748
Medical & legal fees reimbursed		161,980	152,451
National Assistance Fund reimbursement		9,100	2,789,242
National Campaign Fund contributions		-	-
Rent received		6,500	10,400
Rent received - residential		34,385	29,067
Special Assistance Fund contributions		510,135	489,160
Trust distributions received		106,153	123,337
Profit on sale of assets		8,432	-
Profit on sale of investments		63,656	221,522
Other income	6	652,719	539,182
		<u>10,561,400</u>	<u>13,469,688</u>

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CFMMEU NORTHERN MINING & NSW ENERGY DISTRICT BRANCH

GENERAL FUND

STATEMENT OF INCOME & EXPENDITURE

FOR THE YEAR ENDED 31 DECEMBER 2020

	NOTES	2020 \$	2019 \$
INCOME		<u>10,561,400</u>	<u>13,469,688</u>
DEDUCT EXPENSES			
Accountancy fees		8,426	-
Advertising		10,771	8,803
Affiliation fees	7	89,573	86,352
Audit fees		50,500	50,500
Bank charges		7,375	9,495
Board of management expenses		67,795	83,702
Cleaning		24,268	26,339
Commissions		45,150	44,688
Contributions CFMMEU Mining & Energy Division Central Office		3,200,143	3,072,380
Delegates expenses	8	117,014	362,559
Depreciation & loss on sale of fixed assets		236,812	283,524
Discretionary investment management expenses		36,740	39,276
Donations & wreaths		19,585	28,809
Election expenses		255	14,551
Electricity		33,661	34,971
Fair value losses		-	-
Fringe benefits tax		103,021	136,902
Functions & entertainment		826	17,613
Funeral fund subsidy		271,530	260,171
General expenses		45,975	12,543
Hire of plant & equipment		29,707	32,329
Industrial action/campaign expenses	9	202	2,223
Insurance		97,512	113,460
Journals & other periodicals		15,603	14,578
Land tax		897	1,101
Legal expenses	10	131,801	57,169
Lodge subsidies		695,373	674,768
Loss on sale of investments		291,278	295,516
Medical expenses		102,641	137,549
Motor vehicle expenses	11	102,995	120,929
Payroll tax		185,954	194,018
Printing, postage & stationery		39,215	47,224
Provision for annual & sick leave		520,748	455,879
Provision for long service leave		71,262	10,902
Provision for LSL trf to National Office		-	-
Rates		14,302	17,045
Rental property expenses		12,761	13,745
Repairs & maintenance	12	105,733	107,972
Security		4,943	5,455
Strike pay & NAF payments		9,100	2,789,242
Staff training & development		3,240	4,334
Superannuation		388,167	370,097
Telephone & SMS		44,611	27,540
Travelling expenses		37,345	65,349
Visitor amenities		12,906	12,140
Wages - officials		1,459,797	1,465,229
Wages - office staff		1,161,611	1,119,440
TOTAL EXPENSES		<u>9,909,124</u>	<u>12,728,411</u>
NET OPERATING SURPLUS/(DEFICIT) FOR THE YEAR		<u>652,276</u>	<u>741,277</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 CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	NOTES	2020 \$	2019 \$
Net operating surplus/(deficit)		652,276	741,277
Income tax expense	1(d)	-	-
Net surplus/(deficit) after income tax		<u>652,276</u>	<u>741,277</u>
Abnormal items		-	-
Net surplus/(deficit) after abnormal items		<u>652,276</u>	<u>741,277</u>
Accumulated funds 1 January 2020		15,137,905	14,396,628
ACCUMULATED FUNDS 31 DECEMBER 2020		<u><u>15,790,181</u></u>	<u><u>15,137,905</u></u>

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CFMMEU NORTHERN MINING & NSW ENERGY DISTRICT BRANCH**GENERAL FUND****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2020****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).

CFMMEU NORTHERN MINING & NSW ENERGY DISTRICT BRANCH

GENERAL FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 \$	2019 \$
3. NON CURRENT INVESTMENTS		
Shares in listed companies	2,709,054	2,096,513
Units in listed managed funds	1,363,250	2,098,100
Units in unlisted managed funds	1,279,637	1,161,420
Listed fixed interest securities	807,191	673,664
Term deposits	7,500,000	6,750,000
	<u>13,659,132</u>	<u>12,779,697</u>
4. FIXED ASSETS		
Freehold land (at cost)	<u>331,163</u>	<u>331,163</u>
Freehold buildings (at cost)	1,898,148	1,664,750
Accumulated depreciation	<u>993,109</u>	<u>949,348</u>
	<u>905,039</u>	<u>715,402</u>
Investment properties (at fair market value)	<u>650,000</u>	<u>615,000</u>
Plant & equipment (at cost)	406,761	400,725
Accumulated depreciation	<u>286,617</u>	<u>266,488</u>
	<u>120,144</u>	<u>134,237</u>
Office equipment (at cost)	472,076	435,457
Accumulated depreciation	<u>420,460</u>	<u>400,859</u>
	<u>51,616</u>	<u>34,598</u>
Furniture & fittings (at cost)	377,785	376,672
Accumulated depreciation	<u>332,191</u>	<u>327,423</u>
	<u>45,594</u>	<u>49,249</u>
Motor vehicles (at cost)	480,677	471,761
Accumulated depreciation	<u>84,491</u>	<u>108,603</u>
	<u>396,186</u>	<u>363,158</u>
TOTAL FIXED ASSETS	<u>2,499,742</u>	<u>2,242,807</u>
5. NON CURRENT LIABILITIES		
Provision for long service leave	<u>397,273</u>	<u>359,373</u>
	<u>397,273</u>	<u>359,373</u>

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CFMMEU NORTHERN MINING & NSW ENERGY DISTRICT BRANCH

GENERAL FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
6. OTHER INCOME		
Check inspectors subsidy	25,933	25,525
AUSCOAL Superannuation Pty Ltd Directors fees	103,275	106,450
Sale of Federation merchandise	43,747	1,428
Wages reimbursement & subsidy	115,126	100,553
CFMMEU Local Admin - AGM accommodation	-	16,509
Coal Mining Industry (LSL Funding) Corporation Directors fees	13,724	10,744
Coal Services Pty Ltd Directors fees	73,218	100,938
LSL reimbursement (K Shaw)	-	54,647
Mineworkers Trust - Memorial Wall grant	235,444	-
Newsletter & membership card advertising	4,500	6,000
Proceeds insurance claim building damage	-	25,116
Sponsorship Delegates AGM	22,727	30,397
Workers compensation claim	-	27,596
Other income	15,025	33,279
	<u>652,719</u>	<u>539,182</u>
7. AFFILIATION FEES		
Australian Labour Party	41,832	39,157
Newcastle Trades Hall Council	15,299	15,058
Unions NSW	32,442	32,137
	<u>89,573</u>	<u>86,352</u>
8. DELEGATES EXPENSES		
AGM attendance fees	-	93,115
AGM costs	3,810	131,715
Delegates training fees	39,213	22,574
Delegates meetings	70,419	112,825
Other expenses	3,572	2,330
	<u>117,014</u>	<u>362,559</u>
9. INDUSTRIAL ACTION/CAMPAIGN EXPENSES		
Ballot expenses incurred	-	-
Less reimbursement of expenses	-	-
Other expenses	202	2,223
	<u>202</u>	<u>2,223</u>
10. LEGAL FEES		
Industrial matters	52,917	27,724
Workers compensation	78,884	29,445
Other matters	-	-
	<u>131,801</u>	<u>57,169</u>

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CFMMEU NORTHERN MINING & NSW ENERGY DISTRICT BRANCH

GENERAL FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

	2020	2019
	\$	\$
11. MOTOR VEHICLE EXPENSES		
Petrol & oil	52,589	58,979
Registration & insurance	35,098	42,339
Repairs & maintenance	15,308	19,611
	<u>102,995</u>	<u>120,929</u>
12. REPAIRS & MAINTENANCE		
Computer & IT maintenance	76,139	49,446
Building & equipment maintenance	29,594	58,526
	<u>105,733</u>	<u>107,972</u>