

CFMMEU NORTHERN MINING & NSW ENERGY DISTRICT BRANCH

GENERAL FUND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022, the statement of income & expenditure and statement of changes in equity for the year ended 31 December 2022, 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 2022, 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.

KLM Accountants

Joshua Comyns  
Partner

Charlestown  
8 March 2023

Registration number (as registered by the RO Commissioner under the RO Act): AA2022/9

CFMMEU NORTHERN MINING & NSW ENERGY DISTRICT BRANCH  
GENERAL FUND

STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2022

	NOTES	2022 \$	2021 \$
<b>CURRENT ASSETS</b>			
Cash on hand & at bank		818,375	1,477,885
Investments	3	6,500,000	7,500,000
Membership contributions receivable		246,355	230,000
Other debtors & prepayments		644,760	748,521
Deposit		672	672
		<u>8,210,162</u>	<u>9,957,078</u>
<b>NON CURRENT ASSETS</b>			
Property, plant & equipment	4	2,807,464	2,528,244
Investments	3	7,105,817	7,183,636
		<u>18,123,443</u>	<u>19,668,958</u>
<b>CURRENT LIABILITIES</b>			
Accounts payable		880,196	1,011,260
GST liability		161,693	196,835
Provision for annual & sick leave		1,107,844	1,580,188
Provision for long service leave		343,173	316,011
		<u>2,492,906</u>	<u>3,104,294</u>
NON CURRENT LIABILITIES	5	89,276	64,349
TOTAL LIABILITIES		<u>2,582,182</u>	<u>3,168,643</u>
NET ASSETS		<u>15,541,261</u>	<u>16,500,315</u>
<b>ACCUMULATED FUNDS</b>			
		<u>15,541,261</u>	<u>16,500,315</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 2022

	NOTES	2022 \$	2021 \$
INCOME			
Contributions received		7,998,199	8,137,647
Administration fees		55,881	88,491
Dividends received		159,049	125,288
Fair value gains		215,000	700,867
Interest received		132,055	76,146
Medical & legal fees reimbursed		202,728	267,821
National Assistance Fund reimbursement		194,600	916,785
National Campaign Fund contributions		-	408,568
Rent received		9,400	3,100
Rent received - residential		36,694	33,746
Special Assistance Fund contributions		412,937	504,719
Trust distributions received		152,347	86,981
Profit on sale of assets		28,319	4,635
Profit on sale of investments		33,685	53,882
Other income	6	950,658	713,234
		<u>10,581,552</u>	<u>12,121,910</u>

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CFMMEU NORTHERN MINING & NSW ENERGY DISTRICT BRANCH  
GENERAL FUND

STATEMENT OF INCOME & EXPENDITURE  
FOR THE YEAR ENDED 31 DECEMBER 2022

	NOTES	2022 \$	2021 \$
INCOME		<u>10,581,552</u>	<u>12,121,910</u>
DEDUCT EXPENSES			
Accountancy fees		1,189	1,078
Advertising		25,491	9,137
Affiliation fees	7	93,136	91,982
Audit fees		50,500	50,500
Bank charges		6,805	6,720
Board of management expenses		84,609	76,716
Cleaning		24,061	22,441
Commissions		48,743	47,348
Contributions CFMMEU Mining & Energy Division Central Office		3,054,770	3,577,523
Delegates expenses	8	388,037	403,636
Depreciation & loss on sale of fixed assets		308,962	234,731
Discretionary investment management expenses		42,729	45,043
Donations & wreaths		18,788	19,250
Election expenses		12,255	31,457
Electricity		28,227	29,976
Fair value losses		370,446	-
Fringe benefits tax		205,277	34,171
Functions & entertainment		18,673	3,421
Funeral fund subsidy		266,243	269,923
General expenses		17,405	53,642
Hire of plant & equipment		28,084	24,503
Industrial action/campaign expenses	9	-	-
Insurance		118,055	107,542
Journals & other periodicals		18,036	16,835
Land tax		1,328	1,120
Legal expenses	10	72,635	94,661
Lodge subsidies		706,762	704,881
Loss on sale of investments		227,798	42,889
Medical expenses		106,902	116,348
Motor vehicle expenses	11	137,443	96,152
Payroll tax		194,998	205,900
Printing, postage & stationery		45,272	38,536
Provision for annual & sick leave		533,462	567,421
Provision for long service leave		65,518	44,895
Provision for LSL trf to National Office		49,987	22,717
Rates		16,434	16,564
Rental property expenses		10,435	11,596
Repairs & maintenance	12	97,730	89,719
Security		5,788	4,989
Strike pay & NAF payments		194,600	916,785
Staff training & development		5,465	2,107
Superannuation		400,588	402,004
Telephone & SMS		53,104	49,480
Travelling expenses		59,710	23,746
Visitor amenities		10,072	13,332
Wages - officials		2,175,745	1,737,246
Wages - office staff		1,138,309	1,051,113
TOTAL EXPENSES		<u>11,540,606</u>	<u>11,411,776</u>
NET OPERATING SURPLUS/(DEFICIT) FOR THE YEAR		<u>(959,054)</u>	<u>710,134</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 2022

	NOTES	2022 \$	2021 \$
Net operating surplus/(deficit)		(959,054)	710,134
Income tax expense	1(d)	-	-
Net surplus/(deficit) after income tax		<u>(959,054)</u>	<u>710,134</u>
Abnormal items		-	-
Net surplus/(deficit) after abnormal items		<u>(959,054)</u>	<u>710,134</u>
Accumulated funds 1 January 2022		16,500,315	15,790,181
ACCUMULATED FUNDS 31 DECEMBER 2022		<u><u>15,541,261</u></u>	<u><u>16,500,315</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 2022

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 2022

	2022	2021
	\$	\$
<b>3. INVESTMENTS</b>		
Current		
Term deposits	6,500,000	7,500,000
	<u>6,500,000</u>	<u>7,500,000</u>
Non Current		
Shares in listed companies	2,125,975	3,003,192
Units in listed managed funds	2,481,872	1,707,791
Units in unlisted managed funds	553,847	1,898,749
Listed fixed interest securities	1,944,123	573,904
	<u>7,105,817</u>	<u>7,183,636</u>
<b>TOTAL INVESTMENTS</b>	<u><u>13,605,817</u></u>	<u><u>14,683,636</u></u>
<b>4. PROPERTY, PLANT &amp; EQUIPMENT</b>		
Freehold land (at cost)	<u>331,163</u>	<u>331,163</u>
Freehold buildings (at cost)	1,898,148	1,898,148
Accumulated depreciation	<u>1,088,017</u>	<u>1,040,563</u>
	<u>810,131</u>	<u>857,585</u>
Investment properties (at fair market value)	<u>995,000</u>	<u>780,000</u>
Plant & equipment (at cost)	405,871	405,979
Accumulated depreciation	<u>307,259</u>	<u>301,497</u>
	<u>98,612</u>	<u>104,482</u>
Office equipment (at cost)	284,560	252,791
Accumulated depreciation	<u>230,163</u>	<u>209,165</u>
	<u>54,397</u>	<u>43,626</u>
Furniture & fittings (at cost)	386,962	378,493
Accumulated depreciation	<u>340,452</u>	<u>336,453</u>
	<u>46,510</u>	<u>42,040</u>
Motor vehicles (at cost)	571,212	499,431
Accumulated depreciation	<u>99,561</u>	<u>130,083</u>
	<u>471,651</u>	<u>369,348</u>
<b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT</b>	<u><u>2,807,464</u></u>	<u><u>2,528,244</u></u>
<b>5. NON CURRENT LIABILITIES</b>		
Provision for long service leave	89,276	64,349
	<u>89,276</u>	<u>64,349</u>

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GENERAL FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	\$	\$
<b>6. OTHER INCOME</b>		
Check inspectors subsidy	26,919	25,933
AUSCOAL Superannuation Pty Ltd Directors fees	83,856	103,662
Sale of Federation merchandise	3,829	23,093
Wages reimbursement & subsidy	162,371	144,377
CFMMEU Local Admin - AGM accommodation	18,097	61,195
CFMMEU National Office - National Convention wages subsidy	-	83,960
CFMMEU National Office - 2022 UDS distribution	108,240	-
Coal Mining Industry (LSL Funding) Corporation Directors fees	15,875	18,513
Coal Services Pty Ltd Directors fees	-	73,218
LSL reimbursement (J Drayton)	-	128,629
LSL reimbursement (P Jordan)	258,157	-
LSL reimbursement (M McGrath)	68,937	-
Cash Flow Boost	100,000	-
Newsletter & membership card advertising	30,227	4,500
Sponsorship Delegates AGM	27,273	24,193
Other income	46,877	21,961
	<u>950,658</u>	<u>713,234</u>
<b>7. AFFILIATION FEES</b>		
Australian Labor Party	43,410	43,475
Newcastle Trades Hall Council	16,240	15,823
Unions NSW	33,486	32,684
	<u>93,136</u>	<u>91,982</u>
<b>8. DELEGATES EXPENSES</b>		
AGM attendance fees	106,113	89,699
AGM costs	133,893	112,710
Delegates training fees	23,787	23,586
Delegates meetings	101,600	57,059
Other expenses	22,644	120,582
	<u>388,037</u>	<u>403,636</u>
<b>9. INDUSTRIAL ACTION/CAMPAIGN EXPENSES</b>		
Ballot expenses incurred	-	-
Less reimbursement of expenses	-	-
Other expenses	-	-
	<u>-</u>	<u>-</u>
<b>10. LEGAL FEES</b>		
Industrial matters	38,706	29,423
Workers compensation	33,929	65,238
Other matters	-	-
	<u>72,635</u>	<u>94,661</u>

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GENERAL FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FINANCIAL STATEMENTS

	2022	2021
	\$	\$
11. MOTOR VEHICLE EXPENSES		
Petrol & oil	73,031	48,627
Registration & insurance	35,462	30,898
Repairs & maintenance	28,950	16,627
	<u>137,443</u>	<u>96,152</u>
12. REPAIRS & MAINTENANCE		
Computer & IT maintenance	73,429	70,712
Building & equipment maintenance	24,301	19,007
	<u>97,730</u>	<u>89,719</u>