

**The Construction, Forestry, Mining and Energy  
Union of Workers**

**Financial Statements for the  
12 Months Ended 31 March 2018**

**TABLE OF CONTENTS**

	<b>PAGE</b>
Statement of Financial Position	1
Statement of Profit or Loss and Other Comprehensive Income	2 - 3
Statement of Changes in Equity	4
Statement of Cashflows	5
Notes To and Forming Part of the Financial Statements	6 - 17
Accounting Officer's Certificate	18
Statutory Declaration	19
Trust Account - Statement of Receipts and Payments For Recovery of Wages	20
Auditors Report to Members	21-22

**THE CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION OF WORKERS**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2018**

	NOTE	CONSOLIDATED		CFMEUW	
		31 Mar 2018	31 Mar 2017	31 Mar 2018	31 Mar 2017
		\$	\$	\$	\$
<b>MEMBERS FUNDS</b>					
Balance at Beginning of Year		29,792,261	30,036,350	30,083,283	30,069,108
Movement in Asset Revaluation Reserve		-	-	-	-
Excess of Income over Expenditure		390,652	(244,089)	31,022	14,175
		<u>30,182,913</u>	<u>29,792,261</u>	<u>30,114,305</u>	<u>30,083,283</u>
<b>REPRESENTED BY:</b>					
<b>CURRENT ASSETS</b>					
Cash on Hand		777	1,306	600	600
Sundry Debtors		313,404	321,072	20,512	11,315
Work in Progress		375,000	-	-	-
Managed Investments - at market value		7,403,271	6,621,197	7,403,271	6,621,197
Cash in Financial Institutions		5,365,465	5,997,765	5,181,839	5,899,122
<b>TOTAL CURRENT ASSETS</b>		<u>13,457,917</u>	<u>12,941,340</u>	<u>12,606,222</u>	<u>12,532,234</u>
<b>NON-CURRENT ASSETS</b>					
Property Plant & Equipment	4	19,844,900	19,847,120	18,242,809	18,256,187
Loans Receivable – CSTC (includes impairment on loan of \$919,824)		-	-	1,509,267	1,619,091
Loans Receivable – Eureka Lawyers		-	-	437,295	347,295
<b>TOTAL NON CURRENT ASSETS</b>		<u>19,844,900</u>	<u>19,847,120</u>	<u>20,189,371</u>	<u>20,222,573</u>
<b>TOTAL ASSETS</b>		<u>33,302,817</u>	<u>32,788,460</u>	<u>32,795,593</u>	<u>32,754,807</u>
<b>CURRENT LIABILITIES</b>					
Sundry Creditors		278,781	171,917	15,400	11,000
Other Creditors - Wages Recovered		92,229	92,229	92,229	92,229
Provision for Tax (GST)		21,439	2,868	3,587	(1,777)
Provision for annual leave		175,298	167,209	-	-
<b>TOTAL CURRENT LIABILITIES</b>		<u>567,747</u>	<u>434,223</u>	<u>111,216</u>	<u>101,452</u>
<b>NON CURRENT LIABILITIES</b>					
Loan - CFMEU Construction & General Division (WA Branch)		2,411,065	2,411,065	2,570,072	2,570,072
Provision for LSL		141,092	150,911	-	-
<b>TOTAL NON CURRENT LIABILITIES</b>		<u>2,552,157</u>	<u>2,561,976</u>	<u>2,570,072</u>	<u>2,570,072</u>
<b>TOTAL LIABILITIES</b>		<u>3,119,904</u>	<u>2,996,199</u>	<u>2,681,288</u>	<u>2,671,524</u>
<b>NET ASSETS</b>		<u>30,182,913</u>	<u>29,792,261</u>	<u>30,114,305</u>	<u>30,083,283</u>

To be read in conjunction with the attached notes

**THE CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION OF WORKERS**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE 12 MONTHS ENDED 31 MARCH 2018**

NOTE	CONSOLIDATED		CFMEUW	
	12 Months Ended 31 Mar 2018 \$	3 Months Ended 31 Mar 2017 \$	12 Months Ended 31 Mar 2018 \$	3 Months Ended 31 Mar 2017 \$
<b>INCOME</b>				
Education & Training Levy	115,363	44,269	-	-
Administration Fee	-	-	-	-
Interest Received	74,353	33,629	101,112	33,606
Investment Income	208,174	-	208,174	-
Hearing Tests	5,337	(417)	-	-
Other Receipts - Sundry Income	89,887	80,346	-	7,917
Office Rent	174,359	52,392	174,359	44,475
Professional Fees	1,037,988	-	-	-
Profit (loss) on Sale of Fixed Assets	(12,120)	-	-	-
Revaluation (Devaluation) of Managed Investments	609,379	(1,373)	609,379	(1,373)
Income from Courses	695,579	253,114	-	-
Sale of assets	-	-	-	-
Sundries	-	-	-	-
	<u>2,998,299</u>	<u>461,960</u>	<u>1,093,024</u>	<u>84,625</u>
<b>EXPENDITURE</b>				
Administration Fee – CFMEU C&G	(2,759)	-	-	-
Accounting Fees	23,253	-	-	-
Advertising	18,466	3,422	-	-
Auditor's Remuneration	37,926	16,476	14,551	9,204
Bank Charges	3,482	1,133	-	50
Computer	41,273	11,988	-	-
Depreciation	135,924	38,997	13,378	3,346
Fringe Benefits Tax	10,831	419	-	-
Insurance	111,763	1,620	-	-
Investment Expenses	55,244	-	55,244	-
Legal costs	2,200	5,568	-	-
Meetings	-	-	-	-
Motor Vehicle	11,600	2,595	-	-
Movements in Employee Entitlements	(1,730)	(6,724)	-	-
Office Expenses	76,136	71,161	-	-
Payroll Tax	103,850	18,446	-	-
Printing, Postage and Stationery	28,751	1,963	-	-
Photocopier	21,100	5,787	-	-
Rent, Rates, Land Tax & Electricity	198,008	67,502	59,005	57,299
Repairs & Maintenance	18,220	4,962	-	551
Staff Amenities	424	381	-	-
Subscriptions & Publications	4,911	-	-	-
Sundries	(4,320)	900	-	-
Loan impairment	-	-	919,824	-
Superannuation	200,066	57,354	-	-
Telephone	14,743	5,328	-	-
Training Courses	43,257	5,528	-	-
Travel and Accommodation	4,893	-	-	-
Wages	1,450,135	391,243	-	-
Total Expenditure	<u>2,607,647</u>	<u>706,049</u>	<u>1,062,002</u>	<u>70,450</u>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>	<u>390,652</u>	<u>(244,089)</u>	<u>31,022</u>	<u>14,175</u>

To be read in conjunction with the attached notes

**THE CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION OF WORKERS**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)  
FOR THE 12 MONTHS ENDED 31 MARCH 2018**

NOTE	CONSOLIDATED		CFMEUW	
	12 Months Ended 31 Mar 2018 \$	3 Months Ended 31 Mar 2017 \$	12 Months Ended 31 Mar 2018 \$	3 Months Ended 31 Mar 2017 \$
<b>TRANSFER TO/FROM FUNDS</b>				
To/From Building Fund	-	-	-	-
To/From National Assistance Fund	-	-	-	-
To/From Welfare Fund	-	-	-	-
To/From Training Fund	-	-	-	-
To/From Legal Cover Fund	-	-	-	-
To/From Funeral Reserve	-	-	-	-
<b>Other comprehensive income for the year</b>	-	-	-	-
Surplus / (deficit) attributable to the Union	<u>390,652</u>	<u>(244,089)</u>	<u>950,846</u>	<u>14,175</u>
Total Comprehensive income attributable to the Union	<u><u>390,652</u></u>	<u><u>(244,089)</u></u>	<u><u>950,846</u></u>	<u><u>14,175</u></u>

To be read in conjunction with the attached notes

**THE CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION OF WORKERS**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE 12 MONTHS ENDED 31 MARCH 2018**

**Consolidated  
Entity**

	General Funds	Welfare Fund	Federal Support Fund	National Assistance Fund	Training Fund	Funeral Reserve	Capital Profits Reserve	Legal Cover Fund	Asset Revaluation Reserve	Total
<b>Balance at 31 December 2016</b>	<b>22,515,272</b>	<b>919,232</b>	<b>86,255</b>	<b>160,645</b>	<b>312,182</b>	<b>208,695</b>	<b>162,187</b>	<b>266,896</b>	<b>5,404,986</b>	<b>30,036,350</b>
Transfer of Funds to Related Parties	-	-	-	-	-	-	-	-	-	-
Increase/(Decrease) in Asset Revaluation Reserve	-	-	-	-	-	-	-	-	-	-
Total Comprehensive income for the period ended 31 March 2017	<b>(244,089)</b>	-	-	-	-	-	-	-	-	<b>(244,089)</b>
<b>Balance at 31 March 2017</b>	<b>22,271,183</b>	<b>919,232</b>	<b>86,255</b>	<b>160,645</b>	<b>312,182</b>	<b>208,695</b>	<b>162,187</b>	<b>266,896</b>	<b>5,404,986</b>	<b>29,792,261</b>
Transfer of Funds to Related Parties	-	-	-	-	-	-	-	-	-	-
Increase/(Decrease) in Asset Revaluation Reserve	-	-	-	-	-	-	-	-	-	-
Total Comprehensive income for the period ended 31 March 2017	<b>390,652</b>	-	-	-	-	-	-	-	-	<b>390,652</b>
<b>Balance at 31 March 2018</b>	<b>22,661,835</b>	<b>919,232</b>	<b>86,255</b>	<b>160,645</b>	<b>312,182</b>	<b>208,695</b>	<b>162,187</b>	<b>266,896</b>	<b>5,404,986</b>	<b>30,182,913</b>

	General Funds	Welfare Fund	Federal Support Fund	National Assistance Fund	Training Fund	Funeral Reserve	Capital Profits Reserve	Legal Cover Fund	Asset Revaluation Reserve	Total
<b>Parent Entity</b>										
<b>Balance at 31 December 2016</b>	<b>22,548,030</b>	<b>919,232</b>	<b>86,255</b>	<b>160,645</b>	<b>312,182</b>	<b>208,695</b>	<b>162,187</b>	<b>266,896</b>	<b>5,404,986</b>	<b>30,069,108</b>
Transfer of Funds to Related Parties	-	-	-	-	-	-	-	-	-	-
Increase/(Decrease) in Asset Revaluation Reserve	-	-	-	-	-	-	-	-	-	-
Total Comprehensive income for the period ended 31 March 2017	<b>14,175</b>	-	-	-	-	-	-	-	-	<b>14,175</b>
<b>Balance at 31 March 2017</b>	<b>22,562,205</b>	<b>919,232</b>	<b>86,255</b>	<b>160,645</b>	<b>312,182</b>	<b>208,695</b>	<b>162,187</b>	<b>266,896</b>	<b>5,404,986</b>	<b>30,083,283</b>
Transfer of Funds to Related Parties	-	-	-	-	-	-	-	-	-	-
Increase/(Decrease) in Asset Revaluation Reserve	-	-	-	-	-	-	-	-	-	-
Total Comprehensive income for the period ended 31 March 2017	<b>31,022</b>	-	-	-	-	-	-	-	-	<b>31,022</b>
<b>Balance at 31 March 2018</b>	<b>22,593,227</b>	<b>919,232</b>	<b>86,255</b>	<b>160,645</b>	<b>312,182</b>	<b>208,695</b>	<b>162,187</b>	<b>266,896</b>	<b>5,404,986</b>	<b>30,114,305</b>

To be read in conjunction with the attached notes

**THE CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION OF WORKERS**

**STATEMENT OF CASHFLOWS  
FOR THE 12 MONTHS ENDED 31 MARCH 2018**

	NOTE	CONSOLIDATED		CFMEUW	
		12 Months Ended 31 Mar 2018 \$	3 Months Ended 31 Mar 2017 \$	12 Months Ended 31 Mar 2018 \$	3 Months Ended 31 Mar 2017 \$
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from members & other sources		2,334,355	247,836	373,336	52,392
Payments to suppliers and employees		(2,723,018)	(676,782)	(119,036)	(41,153)
Interest received		74,353	33,629	101,112	33,606
Bank Costs		-	-	-	-
		-	-	-	-
Net Cash Provided by (expended on) operating Activities	5	<u>(314,310)</u>	<u>(395,317)</u>	<u>355,412</u>	<u>44,845</u>
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sale of Property, Plant & Equipment		-	-	-	-
Payments for Property, Plant & Equipment		(145,824)	(3,254)	-	-
Purchase of investments		(172,695)	-	(172,695)	-
		-	-	-	-
Net Cash Provided by (used in) Investing Activities		<u>(318,519)</u>	<u>(3,254)</u>	<u>(172,695)</u>	<u>-</u>
<b>CASHFLOW FROM FINANCING</b>					
Proceeds from Borrowings		-	-	-	-
Repayment of Borrowings		-	-	(900,000)	(440,000)
		-	-	-	-
Net Cash Provided by Financing Activities		<u>-</u>	<u>-</u>	<u>(900,000)</u>	<u>(440,000)</u>
Net Increase (Decrease) in Cash Held		<u>(632,829)</u>	<u>(398,571)</u>	<u>(717,283)</u>	<u>(395,155)</u>
Opening Cash Balance		5,999,071	6,397,642	5,899,722	6,294,877
Closing Cash Balance		<u>5,366,242</u>	<u>5,999,071</u>	<u>5,182,439</u>	<u>5,899,722</u>

To be read in conjunction with the attached notes.

**NOTES TO AND FORMING PART OF THE ACCOUNTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards of the Australian Accounting Standards Board.

The financial report of the Union complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The accounts are prepared in accordance with the historical cost convention and the significant accounting policies adopted are as follows;

**(a) PRINCIPLES OF CONSOLIDATION**

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent "The Construction, Forestry, Mining and Energy Union of Workers" and its controlled entities, "Construction Skills Training Centre" and "Eureka Lawyers". Controlled entities are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of controlled entities is provided in Note 6.

The assets, liabilities and results of the controlled entities are fully consolidated into the financial statements of the Union from the date on which control is obtained by the Union. The consolidation of a controlled entity subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of controlled entities have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Union.

Equity interests in a controlled entity not attributable, directly or indirectly, to the Union are presented as "non-controlling interests". The Union initially recognises non-controlling interests that are present ownership interests in controlled entities and are entitled to a proportionate share of the controlled entity's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the controlled entity's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

**(b) BASIS**

The accounts have not been adjusted to record either change in the general purchasing power of the dollar or in the price of specific assets, unless otherwise stated.

**(c) MANAGED INVESTMENTS**

Managed Investments comprise a diversified portfolio of tradeable equities, managed funds and cash, managed by an independent funds manager. Managed Investments are classified as "financial assets at fair value through profit and loss" and are recorded at net market value, with any changes in net market value brought to account in the Statement of Profit or Loss and Other Comprehensive Income in the periods in which they occur.

**(d) MEMBERSHIP CONTRIBUTIONS AND LEVY INCOME**

Membership contributions and levy income are accounted for on a cash receipts basis which, on an annual basis, would not materially differ from that calculated on an accruals basis.

**(e) PROPERTY, PLANT AND EQUIPMENT**

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



NOTES TO AND FORMING PART OF THE ACCOUNTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) **PROPERTY, PLANT AND EQUIPMENT (continued)**

Plant and equipment, motor vehicles and furniture and fittings acquired are brought to account at cost.

Depreciation of plant and equipment, motor vehicles and furniture and fittings are calculated in order to write the assets off over their estimated useful life.

Property, comprising Land and Buildings, is carried at fair value which is based on either independent valuations or third party appraisals. Revaluation increments are credited to an Asset Revaluation Reserve. Properties are revalued regularly so as to ensure they are always reflected at fair value.

(f) **INCOME TAX**

No provision for income tax is necessary as "Trade Unions" are exempt from income tax under section 50-15 of the Income Tax Assessment Act (1997).

(g) **FINANCIAL INSTRUMENTS**

*Recognition*

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

*Financial assets at fair value through profit and loss*

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the statement of comprehensive income in the period which they arise.

*Loans and receivables*

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

*Available-for-sale financial assets*

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

*Fair value*

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

*Impairment*

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

(h) **FAIR VALUE OF ASSETS AND LIABILITIES**

The Union measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Union would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

**NOTES TO AND FORMING PART OF THE ACCOUNTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(h) FAIR VALUE OF ASSETS AND LIABILITIES (continued)**

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

**(i) IMPAIRMENT OF ASSETS**

At each reporting date, the Union reviews the carrying values of its tangible 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 statement of comprehensive income.

**(j) GOODS AND SERVICES TAX**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). 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 are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Balance Sheet.

**(k) EMPLOYEE BENEFITS**

Provision is made for the Union's liability for employee benefits arising from services rendered by employees at balance date.

Liability for Annual Leave benefits are expected to be settled within 12 months and are therefore considered current liabilities. Liability for Long Service Leave benefits are not expected to be settled within 12 months and are therefore considered non-current liabilities, notwithstanding that any immaterial amounts may be settled within the next 12 months.

Provisions for employee benefits are brought to account at the amounts expected to be paid when the liability is settled, plus related on-costs.

Superannuation contributions made by the Branch are expensed when due.

**NOTES TO AND FORMING PART OF THE ACCOUNTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(I) NEW AND AMENDED ACCOUNTING POLICIES ADOPTED BY THE UNION**

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

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The eventual adoption of new, revised or amended Accounting Standards that are not yet mandatory are not expected to significantly impact on the financial performance or position of the Union and its controlled entities.

**CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

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

*Key estimates — Impairment*

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

**REGISTRATION STATUS**

The Western Australian Builders Labourers', Painters and Plasterers Union of Workers (now the Construction, Forestry, Mining and Energy Union of Workers) were registered as a state union with the State Registrar in November 1994. Since inception as a registered union, all assets, liabilities, income and expenditure have been acquired or incurred by the Western Australian registered state union on behalf of its state members.

**NOTES TO AND FORMING PART OF THE ACCOUNTS**

**2. CONTINGENT LIABILITIES**

The Union and specified officials are subject to regulatory actions arising from industrial disputes. The Executive are of the opinion that the actions can be successfully defended by the Union and are currently involved in litigation challenging the actions.

Given the complex and protracted nature of these actions and based on advice from legal counsel, it is not practicable to estimate the potential financial impact, if any, of these actions at this time, although any potential financial impact is not expected to be significant.

The information usually required by AASB 137 Provisions, Contingent Liabilities and Contingent Assets is not disclosed on the grounds that it can be expected to prejudice seriously the outcome of the litigation.

**3. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR**

In accordance with the requirements of the Industrial Relations Act 1979, as amended, an organisation shall, on the application of a member of the organisation or registrar made as prescribed, make available to the member or to the registrar, as the case may be, specified information in such manner and within such time as is prescribed.

The Registrar shall not make an application except at the request of a member of the organisation concerned, the Registrar, when he receives information as result of an application, made at the request of such a member, shall furnish the information to the member.

**4. PROPERTY PLANT & EQUIPMENT**

	<b>CONSOLIDATED</b>		<b>CFMEUW</b>	
	<b>31 Mar 2018</b>	<b>31 Mar 2017</b>	<b>31 Mar 2018</b>	<b>31 Mar 2017</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Land and Buildings (at Valuation)				
82-86 Royal Street, East Perth	3,300,000	3,300,000	3,300,000	3,300,000
82-86 Royal Street, East Perth Building Costs	89,090	89,090	89,090	89,090
18 Stanbridge Way, Karratha	470,000	470,000	470,000	470,000
Welshpool Training Centre	5,750,000	5,750,000	5,750,000	5,750,000
Trades Hall	7,703,920	7,703,920	7,703,920	7,703,920
2/74 82 Beaufort Street	689,025	689,025	689,025	689,025
2/74 82 Beaufort Street Building Costs	203,986	203,986	203,986	203,986
Lot 20, 82 Beaufort Street	1,043,507	1,064,239	-	-
Lot 20, 82 Beaufort Street Building Costs	134,337	134,337	-	-
	<u>19,383,865</u>	<u>19,404,595</u>	<u>18,206,021</u>	<u>18,206,021</u>
Motor Vehicles - at cost	65,000	99,747	-	-
Less: Accumulated Depreciation	(43,348)	(51,343)	-	-
	<u>21,652</u>	<u>48,404</u>	<u>-</u>	<u>-</u>
Furniture & Fittings - at Cost	304,234	304,234	87,078	87,078
Less: Accumulated Depreciation	(256,977)	(241,176)	(50,290)	(36,912)
	<u>47,257</u>	<u>63,058</u>	<u>36,788</u>	<u>50,166</u>
Plant and Equipment	1,396,444	1,277,686	-	-
Less: Accumulated Depreciation	(1,004,318)	(946,623)	-	-
	<u>392,126</u>	<u>331,063</u>	<u>-</u>	<u>-</u>
Written Down Value	<u>19,844,900</u>	<u>19,847,120</u>	<u>18,242,809</u>	<u>18,256,187</u>

**NOTES TO AND FORMING PART OF THE ACCOUNTS**

**4. PROPERTY PLANT & EQUIPMENT (continued)**

The property in East Perth was independently valued as at 13 January 2016 by Mr L Heal, a licensed valuer and Director of Harcourts Commercial WA. The basis of valuation was market value.

The property at Karratha was valued by the Committee of Management based on an appraisal (not an independent, licenced valuation) by North West Realty, Karratha of relevant sales evidence as at 21 January 2016.

The property at Welshpool was independently valued as at 13 January 2016 by Mr L Heal, a licensed valuer and Director of Harcourts Commercial WA. The basis of valuation was market value.

The Trades Hall property, located at 74-82 Beaufort Street Perth, was purchased on 10th May 2013. The carrying value comprises the purchase price, plus capitalised construction costs incurred since that date

The property at 2/74 82 Beaufort Street Perth was purchased on 10 August 2016. The carrying value is based on the purchase price, plus any capitalised construction costs incurred since that date.

The property at lot 20, 82 Beaufort Street Perth was purchased on 30 June 2014. The carrying value is based on the purchase price, plus any capitalised construction costs incurred since that date.

**5. CASHFLOW INFORMATION**

Reconciliation of Cashflow from Operations with Operating Surplus is as follows;

	<b>CONSOLIDATED</b>		<b>CFMEUW</b>	
	<b>12 Months Ended 31 Mar 2018</b>	<b>3 Months Ended 31 Mar 2017</b>	<b>12 Months Ended 31 Mar 2018</b>	<b>3 Months Ended 31 Mar 2017</b>
<b>Operating Surplus/(Deficit)</b>	390,652	(244,089)	31,022	14,175
Non cash flows in operating surplus				
Revaluation of investments	(609,379)	1,373	(609,379)	1,373
Revaluation of PPE	-	-	-	-
Depreciation	135,924	38,997	13,378	3,346
(Profit)/loss on sale of PPE	12,120	-	-	-
(Increase) decrease in sundry debtors	7,668	(181,868)	(9,197)	-
(Increase) decrease in borrowings	-	-	919,824	-
Decrease (increase) in inventories	(375,000)	-	-	-
Increase (decrease) in sundry creditors	125,434	(3,005)	9,764	25,951
Increase (decrease) in Provision for Employee Entitlements	(1,729)	(6,725)	-	-
<b>Cash Flows from (to) Operations</b>	<b>(314,310)</b>	<b>(395,317)</b>	<b>355,412</b>	<b>44,845</b>

**6. CONTROLLED ENTITIES**

a) Controlled entities

	<b>County of Incorporation</b>	<b>Percentage Owned</b>	
		<b>31 Mar 2018</b>	<b>31 Mar 2017</b>
<b>Parent Entity</b>			
Construction, Forestry, Mining and Energy Union of Workers (CFMEUW)	Australia	100%	100%
<b>Controlled Entities of CFMEUW</b>			
Construction Skills Training Centre	Australia	100%	100%
Eureka Lawyers	Australia	100%	100%

NOTES TO AND FORMING PART OF THE ACCOUNTS

7. RELATED PARTY TRANSACTIONS

a) **Remuneration of key management personnel**

No remuneration is paid by the Union to Key Management Personnel, who are remunerated by a related entity – CFMEU Construction & General Division – WA Branch.

b) **Other Related Party Transactions**

Other related parties are the Construction Skills Training Centre (“CSTC”), Eureka Lawyers and the CFMEU Construction & General Division – WA Branch. Transactions and balances with these entities are disclosed in the Statement Of Profit and Loss and Other Comprehensive Income and Statement of Financial Position respectively.

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

Loans receivable or payable to related parties are unsecured, interest free and have no specified repayment date. They have been classified as non-current as management do not anticipate their repayment within the next 12 months.

8. FINANCIAL RISK MANAGEMENT

The Union undertakes transactions in a range of financial instruments. The material financial instruments are:

- Cash assets
- Managed investments ( a diversified portfolio of tradeable listed investments, managed funds and cash management trusts)
- Sundry debtors and loans receivable
- Trade and sundry creditors

The Union does not have any derivative instruments as at 31 March 2018 and does not speculate in any types of financial instruments.

The activities of the Union expose it primarily to the financial risks, associated with its financial instruments, of market risk, credit risk, interest rate risk and liquidity risk. The Executive are responsible for monitoring and managing the financial risks of the Union. They monitor these risks through monthly board meetings where management accounts are presented and analysed. Any changes or issues identified are communicated to the administration team who implement changes. Management of the different types of financial risks are explained below;

a) **Market Risk**

The only material market risk we are exposed to is the risk that the fair value or future cash flows of our managed investments will fluctuate because of changes in market prices. We manage these risks by having a diversified portfolio of tradeable equities, managed funds and cash managed by an independent funds manager. The investment value and returns are regularly reported to and monitored by the Committee of Management who make changes as required.

*Sensitivity Analysis*

If market prices of our tradeable securities were 10% higher or lower the impact on our operating surplus would be to increase/decrease the surplus by about \$392,000 (as a substantial proportion of the managed investments are currently held in cash). A sensitivity of 10% has been selected as this is considered reasonable given the diversified portfolio.

b) **Credit Risk**

Credit risk is the risk that a contracting entity will not complete its obligations to repay us and thus will cause us to make a financial loss.

The only material credit risk we are exposed to relate to cash assets, which comprise cash at banks and managed investments. We manage these risks by limiting the amount of funds invested with any financial institution and by evaluation of the financial institutions selected.

**NOTES TO AND FORMING PART OF THE ACCOUNTS**

**8. FINANCIAL RISK MANAGEMENT (continued)**

**c) Liquidity Risk**

Liquidity risk is the risk that the Union will not be able to meet its financial obligations as they fall due, the Union manages liquidity risk by maintaining adequate cash reserves and by monitoring forecast cash flows, which reflect managements' expectations of the settlement of financial assets and liabilities. All financial assets and liabilities mature within a period of less than 12 months.

**d) Fair Value Financial Instruments**

The carrying amounts of financial assets and liabilities approximate their fair values.

**e) Interest Rate Risk**

The Unions' exposure to interest rate risk, which is the risk that a financial instruments' value will fluctuate as a result of the changes in market interest rates, is limited only to its cash holdings with a number of banks.

To demonstrate the Unions' sensitivity to changes in interest rates a movement in rate of plus or minus 1% at the reporting date would have increased / decreased net profit by approximately \$89,000 for the Consolidated Entity and \$87,000 for CFMEUW. For further details on interest rate risk refer to the tables below.

*The following tables summarise interest rate risk for the Consolidated entity together with effective interest rates as at balance date:*

**CONSOLIDATED ENTITY**

	Floating Interest Rate	Fixed rate maturing		Non - Interest Bearing	TOTAL	Interest Rates	
		1 year or less	Over 1 year			Fixed	Floating
<b>2018</b>							
<b>Financial Assets</b>							
Cash Assets	5,365,465			777	5,366,242		2.55%
Managed Investments				7,403,271	7,403,271		
Sundry Debtors				313,404	313,404		
<b>Total Financial Assets</b>	5,365,465			7,717,452	13,082,917		
<b>2017</b>	5,997,765			6,943,575	12,941,340		2.58%

	Floating Interest Rate	Fixed rate maturing		Non - Interest Bearing	TOTAL	Interest Rates	
		1 year or less	Over 1 year			Fixed	Floating
<b>2018</b>							
<b>Financial Liabilities</b>							
Sundry & Other creditors	-	-	-	392,449	392,449	-	-
Loan	-	-	-	2,411,065	2,411,065	-	-
<b>Total Financial Liabilities</b>	-	-	-	2,803,514	2,803,514		
<b>2017</b>	-	-	-	2,678,079	2,678,079		

*Floating interest rates represent the most recently determined rate applicable to the instrument at balance date.*

**NOTES TO AND FORMING PART OF THE ACCOUNTS**

**8. FINANCIAL RISK MANAGEMENT (continued)**

*The following tables summarise interest rate risk for the CFMEUW entity together with effective interest rates as at balance date:*

**CFMEUW**

	Floating Interest Rate	Fixed rate maturing		Non - Interest Bearing	TOTAL	Interest Rates	
		1 year or less	Over 1 year			Fixed	Floating
<b>2018</b>							
<b>Financial Assets</b>							
Cash Assets	5,181,839	-	-	600	5,182,439		2.55%
Loans Receivable	-	-	-	1,946,562	1,946,562		
Managed Investments	-	-	-	7,403,271	7,403,271		
Sundry Debtors	-	-	-	20,512	20,512		
<b>Total Financial Assets</b>	<b>5,181,839</b>	<b>-</b>	<b>-</b>	<b>9,370,945</b>	<b>14,552,784</b>		
<b>2017</b>	<b>5,899,122</b>			<b>8,160,871</b>	<b>14,498,620</b>		<b>2.58%</b>

	Floating Interest Rate	Fixed rate maturing		Non - Interest Bearing	TOTAL	Interest Rates	
		1 year or less	Over 1 year			Fixed	Floating
<b>2018</b>							
<b>Financial Liabilities</b>							
Sundry & Other creditors	-	-	-	111,216	111,216	-	-
Loan	-	-	-	2,570,072	2,570,072	-	-
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,681,288</b>	<b>2,681,288</b>		
<b>2017</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,671,524</b>	<b>2,671,524</b>		

*Floating interest rates represent the most recently determined rate applicable to the instrument at balance date.*

**9. FAIR VALUE MEASUREMENTS**

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

- available-for-sale financial assets; and
- freehold land and buildings.

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

**Fair Value Hierarchy**

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

**Level 1**

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2**

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3**

Measurements based on unobservable inputs for the asset or liability.



**NOTES TO AND FORMING PART OF THE ACCOUNTS**

**9. FAIR VALUE MEASUREMENTS (continued)**

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

**Valuation Techniques**

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

- *Market approach*: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- *Income approach*: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- *Cost approach*: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

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

The following tables provide the fair values of the Union's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

	<b>31 March 2018</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Recurring fair value measurements</b>				
<i>Financial assets</i>				
Available-for-sale financial assets:				
Shares in listed companies/trusts	3,916,597			3,916,597
<b>Total financial assets recognised at fair value</b>	3,916,597			3,916,597
<i>Non-financial assets</i>				
Land and Buildings		19,383,865		19,383,865
<b>Total non-financial assets recognised at fair value</b>		19,383,865		19,383,865

**NOTES TO AND FORMING PART OF THE ACCOUNTS**

**9. FAIR VALUE MEASUREMENTS (continued)**

	31 March 2017			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Recurring fair value measurements</b>				
<i>Financial assets</i>				
Available-for-sale financial assets:				
Shares in listed companies/trusts	5,399,911			5,399,911
<b>Total financial assets recognised at fair value</b>	<u>5,399,911</u>			<u>5,399,911</u>
<i>Non-financial assets</i>				
Land and buildings		19,404,595		19,404,595
<b>Total non-financial assets recognised at fair value</b>		<u>19,404,595</u>		<u>19,404,595</u>

**Valuation Techniques and Inputs Used to Measure Level 2 Fair Values**

Description	Fair Value at 31 March 2018	Valuation Technique(s)	Inputs Used
	\$		
<i>Non-financial assets</i>			
Land and buildings (i)	19,383,865	Market approach using recent observable market data for similar properties; income approach using discounted cash flow methodology	Price per hectare; market borrowing rate
	<u>19,383,865</u>		

(i) The fair value of land and buildings is determined at least every three years based on either valuations by an independent valuer or third party appraisals. At the end of each intervening period the executives review the independent valuations and when appropriate update the fair value measurement to reflect current market valuations using the valuation techniques noted above.

There were no changes during the period in the valuation techniques used to determine Level 2 fair values.

**10. EVENTS SUBSEQUENT TO BALANCE DATE**

No matters or events have arisen since the end of the financial year which significantly effected or may significantly effect the operations of the Union, the results of those operations or the state of affairs of the Union in subsequent financial periods.

**11. CAPITAL EXPENDITURE COMMITMENTS**

	31 Mar 2018	31 Mar 2017
Capital expenditure commitments contracted for:	-	-
	<u>-</u>	<u>-</u>

**12. FINANCIAL SUPPORT PROVIDED TO THE CONSTRUCTION SKILLS TRAINING CENTRE**

The State Union has resolved to provide financial support to the Construction Skills Training Centre until 31 July 2019 so as to enable the Constuction Skills Training Centre to continue operating as a going concern.

**NOTES TO AND FORMING PART OF THE ACCOUNTS**

**13. CHANGE OF FINANCIAL YEAR**

In December 2016, the State Union resolved to change its financial year end from 31 December to 31 March, to be consistent with changes adopted by its related national Union.

This resulted in a financial report being prepared for the transitional 3 month period from 1 January 2017 to 31 March 2017. The comparative financial information for this financial report is therefore for the 3 months ended 31 March 2017

Future financial reports will be prepared for the 12 month period commencing 1 April and ending 31 March of the following year.

**ACCOUNTING OFFICER'S CERTIFICATE**

I, Michael Buchan, being the Officer responsible for keeping the accounting records, of THE CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION OF WORKERS, certify that as at 31 March 2018 the number of members of the Organisation was 5,955.

In my opinion:

- (i) the attached accounts show a true and fair view of the financial affairs of the organisation as at 31 March 2018;
- (ii) a record has been kept of all monies paid by or collected from members and all monies so paid or collected have been credited to the bank account, in accordance with the rules of the organisation;
- (iii) before any expenditure was incurred by the organisation, approval of the incurring of the expenditure was obtained in accordance with the rules of the organisation.
- (iv) with regard to funds of the organisation raised by compulsory levies or funds other than the General Fund operated in accordance with the rules, no payments were made out of such fund for purposes other than those for which the fund operated;
- (v) no loans or other financial benefits, other than remuneration in respect of their full time employment with the organisation were made during the period to persons holding office in the organisation; and
- (vi) the register of members of the organisation was maintained in accordance with the Act.
- (vii) No political donations were made by the organisation during the year.

  
.....  
MICHAEL BUCHAN

Dated this 12<sup>th</sup> day of July, 2018.

**STATUTORY DECLARATION**

(As prescribed by regulation 79(2) of  
the Industrial Relations Commission Regulations 2005)

I, Michael Buchan, Union Secretary of 80 Beaufort Street, Perth, 6000 in the State of Western Australia, do solemnly and sincerely declare that:

(1) I am duly appointed Secretary of

THE CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION OF WORKERS

(2) I have placed at the disposal of the Auditor all books and relevant documents in relation to the financial affairs of the Union, in respect of the period ended 31 March 2018.

This declaration is true and I know that it is an offence to make a declaration knowing that it is false in a material particular.

This declaration is made under the *Oaths, Affidavits and Statutory Declarations Act 2005*

at.....  
{place}

.....  
{date}

in the presence of -

by.....  
{Signature of person making the declaration}

.....  
{Signature of authorised witness}

.....

.....  
{Name of authorised witness and qualification as such a witness}

**THE CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION OF WORKERS**

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**STATEMENT OF RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGES ACTIVITY  
CASH BASIS FOR 12 MONTH PERIOD ENDED 31 MARCH 2018**

	<b>CONSOLIDATED</b>		<b>CFMEUW</b>	
	<b>31 Mar 2018</b>	<b>31 Mar 2017</b>	<b>31 Mar 2018</b>	<b>31 Mar 2017</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>				
Cash at bank at beginning of period	92,229	92,229	92,229	92,229
Add Excess (deficiency) of Receipts over Payments	-	-	-	-
Adjustment	-	-	-	-
	<u>92,229</u>	<u>92,229</u>	<u>92,229</u>	<u>92,229</u>
<b>LIABILITIES</b>				
Unclaimed Wages	<u>92,229</u>	<u>92,229</u>	<u>92,229</u>	<u>92,229</u>

Note: The trust account has ceased operating. The union has endeavoured to contact members and advise them of their unclaimed wages that are available for collection, as and when they come forward.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION OF WORKERS

Level 15, Exchange Tower,  
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WA 6831

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F +61 (0)8 9225 6181

[www.moorestephens.com.au](http://www.moorestephens.com.au)

### Audit Opinion

In our opinion:

- i. there were kept by the organisation 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. we are not aware of any person contravening or failing to comply with Section 74 of the *Industrial Relations Act 1979*;
- iii. we are not aware of the organisation making any payments to political parties during the 12 months ended 31 March 2018 and
- iv. the attached accounts and statements on pages 1 to 21 have been prepared in accordance with applicable Accounting Standards, and are properly drawn up in accordance with the *Industrial Relations Act 1979* and in accordance with the rules of the organisation and so as to give a true and fair view of,
  - a) the financial affairs of the organisation and consolidated entity as at 31 March 2018 and
  - b) the income and expenditure and surplus / (deficiency) of the organisation and consolidated entity for the 12 months ended on that date.

### Basis for Opinion

We have audited the Accounts of the Construction, Forestry, Mining and Energy Union of Workers for the 12 month period ended 31 March 2018.

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

In conducting our audit, we have followed applicable independence requirements of Australian professional pronouncements.

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

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF THE CONSTRUCTION, FORESTRY,  
MINING AND ENERGY UNION OF WORKERS (CONTINUED)**

**The Executives' Responsibility for the Financial Report**

The Executive 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 accounts that it 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 report, the Executive is responsible for assessing the organisation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Executive either intend to liquidate the organisation or to cease operations, or have no realistic alternative but to do so.

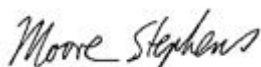
**Auditors Responsibility**

We have conducted an independent audit of these accounts in order to express an opinion on them to the Members of the Union.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the accounts 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 Union 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\\_files/ar4.pdf](http://www.auasb.gov.au/auditors_files/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.



MOORE STEPHENS  
CHARTERED ACCOUNTANTS  
PERTH



NEIL PACE  
PARTNER  
REGISTERED COMPANY AUDITOR  
#182668

Signed at Perth this 12<sup>th</sup> day of July, 2018.