



Australian Government
Registered Organisations Commission

15 February 2022

Mr Steven Vaughan
General Secretary
Bacon Factories' Union of Employees, Queensland

By e-mail: bfue@powerup.com.au

Dear Mr Vaughan

Bacon Factories' Union of Employees, Queensland
Financial Report for the year ended 30 June 2021 - FR2021/238

I acknowledge receipt of the amended financial report for the year ended 30 June 2021 for the Bacon Factories' Union of Employees, Queensland (**the reporting unit**). The financial report was lodged with the Registered Organisations Commission (**ROC**) on 15 February 2022.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 9603 0707 or by email at ken.morgan@roc.gov.au

Yours faithfully

A handwritten signature in black ink, appearing to read 'K. Morgan'.

KEN MORGAN
Financial Reporting Specialist
Registered Organisations Commission

**THE BACON FACTORIES' UNION OF EMPLOYEES
QUEENSLAND
ABN: 88 462 033 951**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

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The Bacon Factories' Union of Employees, Queensland

s.268 *Fair Work (Registered Organisations) Act 2009*

Certificate by prescribed designated officer

Certificate for the year ended 30 June 2021

I Steven Vaughan being the General Secretary of the Bacon Factories' Union of Employees, Queensland certify:

- that the documents lodged herewith are copies of the full report for the Bacon Factories' Union of Employees, Queensland for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 11th February 2022 and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 11th February 2022 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer: S. Va

Name of prescribed designated officer: Steven Vaughan

Title of prescribed designated officer: General Secretary

Dated: 14/2/2022



This certificate is only required to be lodged with the ROC

The designated officer's certificate must be completed, signed and dated by a prescribed designated officer **after** all the events within the financial reporting process have been completed. This will occur **after** the presentation of the full report to the relevant s.266 meeting (2nd meeting).

INDEPENDENT AUDIT REPORT**TO THE MEMBERS OF THE BACON FACTORIES' UNION OF EMPLOYEES
QUEENSLAND****Report on the Audit of the Financial Report*****Opinion***

I have audited the general purpose financial report of The Bacon Factories' Union of Employees, Queensland, which comprises the statement of financial position as at 30 June 2021, and the statement of comprehensive income, statement of changes in members equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes and the committee of management's statement for the year then ended, and the subsection 255(2A) report.

In my opinion, the financial report presents fairly, in all material respects, the financial position of The Bacon Factories' Union of Employees, Queensland as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

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

Basis for Opinion

I conducted the 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 union 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.

INDEPENDENT AUDIT REPORT**TO THE MEMBERS OF THE BACON FACTORIES' UNION OF EMPLOYEES
QUEENSLAND*****Information Other than the Financial Report and Auditor's Report
Thereon (cont'd)***

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 and the secretary of the Union are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009 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 and the secretary of the Union are responsible for assessing the Union'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 either intend to liquidate the Union 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 the 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 this financial report.

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

INDEPENDENT AUDIT REPORT**TO THE MEMBERS OF THE BACON FACTORIES' UNION OF EMPLOYEES
QUEENSLAND*****Auditor's Responsibilities for the Audit of the Financial Report (Cont'd)***

- 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 union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Conclude on the appropriateness of the 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 union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the union 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.

INDEPENDENT AUDIT REPORT

**TO THE MEMBERS OF THE BACON FACTORIES' UNION OF EMPLOYEES
QUEENSLAND**

I communicate with the committee 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 approved auditor, registered under the Fair Work (Registered Organisations) Act 2009, Registered Number AA2017/84.

MORRIS & BATZLOFF
Chartered Accountants


Norman Hoare
Registered Company Auditor

Morris & Batzloff
Chartered Accountants
141 Logan Road, Woolloongabba

Dated: 11/2/2022

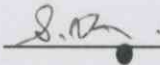
THE BACON FACTORIES' UNION OF EMPLOYEES
ABN: 88 462 033 951

REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 30 JUNE 2021

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Union for the year ended 30 June 2021.

Categories of Expenditure	2021 \$	2020 \$
Remuneration and other employment-related costs and expenses employees	172,682	195,990
Advertising	-	-
Operating costs	69,625	72,672
Donations to political parties	-	-
Legal costs	4,085	-

Signature of Designated Officer



Name and Title of Designated Officer

Steven Vaughan
General Secretary.

Dated: 11/2/2022

The Bacon Factories' Union of Employees, Queensland

Operating report

for the year ended 30 June 2021

The committee of management presents its operating report on the reporting unit for the year ended 30 June 2021.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

The principal activity of The Bacon Factories' Union of Employees, Queensland State Council, is to act on behalf of members and approve the Union's expenses as per the financial report.

Significant changes in financial affairs

No significant changes in the financial affairs occurred during the year.

Right of members to resign

Members retain the right to resign from The Bacon Factories' Union of Employees, Queensland in accordance with section 10 of the Rules of the Bacon Factories' Union of Employees, Queensland and section 174 of the Fair Work (Registered Organisation) Act 2009.

Officers or members who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position

Nil

Number of members

Number of Members as at June 2021 : 324 (2020 : 430)

Number of employees

Number of Employees as at 30 June 2021 : 3 (2020 : 3)

Names of committee of management members and period positions held during the financial year

Warren Bray – General President – 1/7/2020 – 31/12/2020

Steven Vaughan – General Secretary – Whole Period

Katrina Barden – State Councillor – Whole Period

Allan Johnston – State Councillor – Whole Period

Cameron Maguire – State Councillor – 9/3/2021 – current

Signature of designated officer: *S. Vaughan*

Name and title of designated officer: *Steven Vaughan - General Secretary*

Dated: *11/2/2022*

THE BACON FACTORIES' UNION OF EMPLOYEES
ABN: 88 462 033 951

COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

On the 11th day of February 2021 the Committee of Management of the THE BACON FACTORIES' UNION OF EMPLOYEES, QUEENSLAND passed the following resolution in relation to the general purpose financial report of the union for the financial year ended 30 June 2021.

The Committee of Management declares that in its opinion:


- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements of the reporting guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the union for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the union will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the general purpose financial report relates and since the end of the year:
 - (i) meetings of the Committee were held in accordance with the rules of the organisation; and
 - (ii) the financial affairs of the union have been managed in accordance with the rules of the organisation; and
 - (iii) the financial records of the union have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and
 - (iv) the financial records of the union have been kept as far as practicable, in a consistent manner to previous years. There are no other branches of the organisation; and
 - (v) no information was sought by any member of the union or Commissioner under section 272 of the Fair Work (Registered Organisations) Act 2009; and

THE BACON FACTORIES' UNION OF EMPLOYEES
ABN: 88 462 033 951

COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

(e) (vi) no orders have been made by the Fair Work Commission under section 273
of the Fair Work (Registered Organisations) Act 2009.

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


Secretary - Steven Vaughan.

Dated: 11/2/22

THE BACON FACTORIES' UNION OF EMPLOYEES
ABN: 88 462 033 951

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Revenue from Contracts with Customers	3		
Membership Subscriptions		135,372	184,560
Other Income:			
Interest Income	3(a)	2,098	8,386
Other	3(b)	<u>27,826</u>	<u>28,020</u>
		<u>165,296</u>	<u>220,966</u>
Expenses			
Affiliation Fees	4	4,049	5,308
Bank Fees		220	278
Depreciation & Amortisation		17,664	4,494
Grants & Donations	14	-	-
Employee Benefit Expense	5(a)	172,682	195,990
Honorariums		4,459	4,383
Loss on Disposal - Non Current Assets		3,535	-
Professional Fees	5(b)	8,934	7,500
Rent and Outgoings		4,000	16,250
Travel Accommodation & Conferences	5(c)	13,605	10,866
Other Expenses		<u>38,443</u>	<u>28,087</u>
Total Expenses		<u>267,591</u>	<u>273,156</u>
Surplus (Deficit) for the Year		<u>(102,295)</u>	<u>(52,190)</u>
Total Comprehensive Income for the Year		<u>(102,295)</u>	<u>(52,190)</u>

The accompanying notes form part of these financial statements

THE BACON FACTORIES' UNION OF EMPLOYEES
ABN: 88 462 033 951

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
CURRENT ASSETS			
Cash Assets	6	281,881	345,593
Trade and Other Receivables	7	8,680	9,105
Other Assets	8	<u>4,139</u>	<u>3,812</u>
Total Current Assets		<u>294,700</u>	<u>358,510</u>
NON CURRENT ASSETS			
Equipment, Furniture & Vehicle	9	9,627	16,897
Intangibles	10	1,785	1,849
Right of Use Asset	11	<u>70,455</u>	<u> </u>
Total Non Current Assets		<u>81,867</u>	<u>18,746</u>
Total Assets		<u>376,567</u>	<u>377,256</u>
CURRENT LIABILITIES			
Trade and Other Payables	12	52,369	27,746
Provisions	13	19,241	14,244
Lease Liability		<u>13,160</u>	<u> </u>
Total Current Liabilities		<u>84,770</u>	<u>41,990</u>
NON CURRENT LIABILITIES			
Lease Liability		<u>58,826</u>	<u>-</u>
Total Non Current Liabilities		<u>58,826</u>	<u>-</u>
Total Liabilities		<u>143,596</u>	<u>41,990</u>
NET ASSETS		<u>232,971</u>	<u>335,266</u>
EQUITY			
Members' Funds		<u>232,971</u>	<u>335,266</u>
TOTAL MEMBERS' EQUITY		<u>232,971</u>	<u>335,266</u>

The accompanying notes form part of these financial statements

THE BACON FACTORIES' UNION OF EMPLOYEES
ABN: 88 462 033 951

STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Members'	
	Funds	Total
	\$	\$
Balance at 1 July 2019	387,456	387,456
Surplus (Deficit) attributable to Members	<u>(52,190)</u>	<u>(52,190)</u>
Balance at 30 June 2020	335,266	335,266
Surplus (Deficit) attributable to Members	<u>(102,295)</u>	<u>(102,295)</u>
Balance at 30 June 2021	<u>232,971</u>	<u>232,971</u>

The accompanying notes form part of these financial statements

THE BACON FACTORIES' UNION OF EMPLOYEES
ABN: 88 462 033 951

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Members and related activities		133,464	184,210
Covid-19 Stimulus Package		27,584	5,683
Receipts from Other Reporting Units		-	-
Payments to Suppliers and Employees		(214,524)	(298,541)
Payments to Other Reporting Units		-	-
Interest Received		2,098	9,514
Interest and other Costs of Finance		-	-
		<hr/>	<hr/>
Net Cash provided by (used in) operating activities	18	(51,378)	(99,134)
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for Plant and Equipment		-	(2,719)
Payments for Website		-	(1,913)
		<hr/>	<hr/>
Net Cash provided by (used in) investing activities		-	(4,632)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of lease liability		(12,334)	-
		<hr/>	<hr/>
Net Cash provided by (used in) financing activities		(12,334)	-
Net Increase (Decrease) in cash held		(63,712)	(103,766)
Cash at the beginning of the Year		345,593	449,359
		<hr/>	<hr/>
Cash at the end of the Year	17	281,881	345,593

The accompanying notes form part of these financial statements

THE BACON FACTORIES' UNION OF EMPLOYEES

ABN: 88 462 033 951

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

(a) General Information

- This financial report covers The Bacon Factories' Union of Employees, Queensland as an individual entity. The union was registered under the Fair Work (Registered Organisation) Act 2009 on the 29 May 2015.

(b) Statement of Compliance

- This financial report is a general purpose financial report and has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general financial statements, THE BACON FACTORIES' UNION OF EMPLOYEES, QUEENSLAND is a not for profit entity.

(c) Basis of Preparation

- The financial report has been prepared on an accruals basis and is based on historical costs modified, where applicable, by the measurement at fair value of selected non current assets, financial assets and financial liabilities as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

(d) Comparatives

- When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(e) Accounting Estimates and Judgements

- Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Critical Accounting Estimates and Assumptions

- The Union makes estimates and assumptions concerning the future. The resulting accounting estimates by definition seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

(ii) Critical Judgements in applying the Union's Accounting Principles

- There are no critical judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

(e) Accounting Estimates and Judgements (cont'd)

(iii) Estimation of Useful Life of Assets

The reporting union's assumptions about the useful life of assets are set out in Note 1(g).

(iv) Long Service Leave Provision

The reporting union's assumptions in determining the provision for long service leave are set out in Note 1(k).

(f) New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date stated in the standards. A summary of applicable standards is outlined below:-

- AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material.

Impact on adoption of AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material

- The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Bacon Factories' Union of Employees.

The accounting policies adopted are consistent with those of the previous financial year.

(g) Plant and Equipment

Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line or diminishing value basis over the asset's useful life to the union commencing from the time the asset is held ready for use.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

(g) ● **Plant and Equipment (cont'd)**
Depreciation (cont'd)

The depreciation rates used for each class of depreciable assets are:

Vehicle - Diminishing value basis	25%
Office Equipment - Diminishing value basis	10% - 20%
● Office Equipment - Prime cost basis	20% - 25%
Furniture & Fittings - Diminishing value basis	7.5% - 20%
Right of Use Asset - Straight line basis	Term of Lease

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

● **Derecognition**

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

Impairment for Non Financial Assets

- All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Bacon Factories' Union of Employees, Queensland were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

(h) ● **Intangible Assets**

Intangible Assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and impairment losses. Amortisation is recognised on a straight line basis over their estimated useful life.

(i) ● **Investments (Financial Assets)**

Non current investments are measured on the cost basis. The carrying amount of non current investments is reviewed annually to ensure it is not in excess of the recoverable amount of these investments.

(j) ● **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

(k) Employee Entitlements

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, sick leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

- In the case of Long Service Leave, the provision has been measured by reference to periods of service and current salary rates as it is considered that this results in an amount not materially different to that achieved by discounting estimated future cash flows.

Payments to employee superannuation funds are recognised as an expense when employees have rendered service entitling them to the contributions.

(l) Income Tax

No provision for income tax has been raised as the Union is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997. The Union has obligations for Fringe Benefit Tax and Goods and Services Tax.

(m) Revenue

- The union enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies and grants.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

- *Membership Subscriptions*

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the union.

- If there is only one distinct membership service promised in the arrangement, the union recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the union's promise to stand ready to provide assistance and support to the member as required.

- *Gains from Sale of Assets*

- An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

- *Rental Income*

- Leases in which the union as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease term.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

(m) **Revenue (cont'd)**

Government Grants

Government grants are not recognised until there is reasonable assurance that the union will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the union with no future related costs are recognised in profit or loss in the period in which they become receivable.

Interest revenue is recognised on an accrual basis.

All Revenue is stated net of the amount of Goods & Services Tax (GST).

Disaggregation of Revenue

A disaggregation of the union's revenue by type of arrangements and by type of customer is provided in note 3 to these financial statements.

(n) **Borrowing Costs**

All borrowing costs are recognised in profit and loss the period in which they are incurred.

(o) **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

(p) **Financial Liabilities**

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The union's financial liabilities include trade and other payables.

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

(q) **Leases**

The union assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

(q) **Leases (cont'd)**

The Union as a Lessee

- The union applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The union recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use Assets

- The union recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease Liabilities

- At the commencement date of the lease, the union recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the union.

- In calculating the present value of lease payments, the union uses the incremental borrowing rate if the rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The union's lease over its premises commenced on 28 August 2020.

Short term leases and leases of low value assets are recognised as operating leases.

- Operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits derived from the leased assets.

(r) **Financial Assets Impairment**

- Financial assets are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

(s) Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Balance Sheet but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

NOTE 2 NOTICE REQUIRED UNDER THE FAIR WORK (REGISTERED ORGANISATION) ACT 2009

In accordance with the requirements of the Fair Work (Registered Organisation) Act 2009 the attention of members is drawn to the provisions of subsections (1), (2) and (3) of Section 272, which read as follows:-

- (1) A member of a reporting unit, or the Commissioner of the Registered Organisations Commission, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application;
- (2) The application must be in writing and must specify the period 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).

NOTE 3 REVENUE AND OTHER INCOME

Disaggregation of revenue from contracts with customers

A disaggregation of the union's revenue by type of arrangements is provided on the face of the statement of comprehensive income. The table below also sets out a disaggregation of revenue by type of customer.

	2021 \$	2020 \$
Type of Customer		
Members	135,372	184,560
Total revenue from contracts with customers	<u>135,372</u>	<u>184,560</u>
Note 3A: Interest Income		
Interest income on deposits	2,098	8,386
Total Interest	<u>2,098</u>	<u>8,386</u>
Note 3B: Other		
Capitation fees - other reporting units	-	-
Compulsory levies	-	-
Grants	-	-
Donations	-	-
Covid Relief - Commonwealth Government	27,584	27,339
Other Income	242	681
Total	<u>27,826</u>	<u>28,020</u>
	<u>165,296</u>	<u>220,966</u>

THE BACON FACTORIES' UNION OF EMPLOYEES
ABN: 88 462 033 951

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
NOTE 4 AFFILIATION FEES		
Queensland Council of Unions	3,313	4,572
Union Shopper	736	736
	<u>4,049</u>	<u>5,308</u>
NOTE 5 SURPLUS FROM ORDINARY ACTIVITIES		
Surplus (Deficit) from ordinary activities has been determined after:		
Charging as an Expense:		
Amortisation - Intangible Assets	<u>64</u>	<u>64</u>
Depreciation of Non Current Assets:		
- Equipment, Furniture & Fittings and Vehicle	3,509	4,430
- Right of Use Asset	<u>14,091</u>	<u>-</u>
Loss on Disposal - Non Current Assets	<u>3,535</u>	<u>-</u>
Finance Costs	<u>2,986</u>	<u>-</u>
Rental Expense on Operating Leases:		
- Minimum Lease Payments	<u>-</u>	<u>16,250</u>
(a) Employee Expenses		
Holders of Office:		
- Wages and Salaries	71,341	135,454
- Superannuation	6,715	11,367
- Leave and Other Entitlements	4,054	(41,418)
- Separations and Redundancies	-	-
- Other	407	759
	<u>82,517</u>	<u>106,162</u>
Employees other than Office Holders:		
- Wages and Salaries	81,131	77,689
- Superannuation	7,630	8,534
- Leave and Other Entitlements	942	3,170
- Separations and Redundancies	-	-
- Other	462	435
	<u>90,165</u>	<u>89,828</u>
Total Employee Expenses	<u>172,682</u>	<u>195,990</u>
(b) Professional Fees		
Legal Costs:		
- Litigation	-	-
- Other Legal Matters	4,085	-
Audit Fees:		
- Audit of Financial Report	4,849	7,500
- Other Services	-	-
Total Professional Fees	<u>8,934</u>	<u>7,500</u>

THE BACON FACTORIES' UNION OF EMPLOYEES
ABN: 88 462 033 951

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
NOTE 5 SURPLUS FROM ORDINARY ACTIVITIES (cont'd)		
(c) Travel, Accommodation and Conferences		
- Fees and Allowances	5,826	7,199
- Conferences and Meeting Expenses	2,093	3,667
- Other Travel Costs	5,686	-
Total Travel, Accommodation and Conferences	<u>13,605</u>	<u>10,866</u>
(d) Other Expenses include the following:		
- Capitation Fees - Other Reporting Units	-	-
- Other Expenses - Other Reporting Units	-	-
- Compulsory Levies	-	-
- Penalties - via RO Act or RO Regulations	-	-
- Consideration to Employers for Payroll Deduction	-	-
Total Other Expenses	<u>-</u>	<u>-</u>
NOTE 6 CASH ASSETS		
Cash and Cash Equivalents:		
Cash at Bank - NAB	98	7,798
Cash at Bank - Bendigo Bank	168	4,767
Cash at Bank - NAB Debit Card	1,415	2,828
Petty Cash Imprest	200	200
	<u>1,881</u>	<u>15,593</u>
Term Deposits:		
Term Deposit - NAB	5,000	5,000
Term Deposit - Members Equity	275,000	325,000
	<u>280,000</u>	<u>330,000</u>
	<u>281,881</u>	<u>345,593</u>
NOTE 7 TRADE AND OTHER RECEIVABLES		
Current		
Receivables from other Reporting Units	-	-
Trade Debtors	6,453	4,304
Less Expected Credit Losses	-	-
Other Debtors	2,227	4,801
	<u>8,680</u>	<u>9,105</u>
NOTE 8 OTHER CURRENT ASSETS		
Prepayments	4,139	3,812
	<u>4,139</u>	<u>3,812</u>
NOTE 9 PLANT AND EQUIPMENT		
Motor Vehicles - at cost	15,176	39,990
Accumulated Depreciation	<u>(11,087)</u>	<u>(29,956)</u>
	<u>4,089</u>	<u>10,034</u>

THE BACON FACTORIES' UNION OF EMPLOYEES
ABN: 88 462 033 951

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 9 PLANT AND EQUIPMENT (cont'd)

	2021	2020
	\$	\$
Furnishings - at cost	12,698	12,698
Accumulated Depreciation	<u>(11,347)</u>	<u>(11,231)</u>
	<u>1,351</u>	<u>1,467</u>
Furniture & Fittings - at cost	10,935	10,935
Accumulated Depreciation	<u>(10,735)</u>	<u>(10,700)</u>
	<u>200</u>	<u>235</u>
Office Machines - at cost	16,076	16,076
Accumulated Depreciation	<u>(12,780)</u>	<u>(11,723)</u>
	<u>3,296</u>	<u>4,353</u>
Plant & Equipment - at cost	8,576	8,576
Accumulated Depreciation	<u>(8,072)</u>	<u>(7,984)</u>
	<u>504</u>	<u>592</u>
Furniture & Equipment - at cost	1,171	1,171
Accumulated Depreciation	<u>(984)</u>	<u>(955)</u>
	<u>187</u>	<u>216</u>
Total Depreciable Assets	<u>9,627</u>	<u>16,897</u>

Movement in Carrying Amounts

Movement in the carrying amounts for equipment, furniture & vehicle between the beginning and the end of the current financial year.

	Equipment, Furniture and Vehicle
Balance at 1 July 2019	18,608
Additions	2,719
Disposals	-
Depreciation Expense	<u>(4,430)</u>
Carrying Amount at 30 June 2020	16,897
Additions	-
Disposals	(3,761)
Depreciation Expense	<u>(3,509)</u>
Carrying Amount at 30 June 2021	<u>9,627</u>

NOTE 10 INTANGIBLE ASSETS

	2021	2020
	\$	\$
Website - at cost	5,768	5,768
Less: Accumulated Amortisation	<u>(3,983)</u>	<u>(3,919)</u>
	<u>1,785</u>	<u>1,849</u>

THE BACON FACTORIES' UNION OF EMPLOYEES
ABN: 88 462 033 951

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 10 INTANGIBLE ASSETS (cont'd)

	2021
	\$
Movement in Carrying Amount:	
Carrying Amount 1 July 2019	1,913
Amortisation	<u>(64)</u>
Carrying Amount 30 June 2020	1,849
Additions	-
Amortisation	<u>(64)</u>
Carrying Amount 30 June 2021	<u>1,785</u>

NOTE 11 RIGHT OF USE ASSET

	2021	2020
	\$	\$
Building - leased	84,546	-
Less: Accumulated Depreciation	<u>(14,091)</u>	<u>-</u>
	<u>70,455</u>	<u>-</u>

NOTE 11 RIGHT OF USE ASSET

	2021
	\$
Movement in Carrying Amount:	
Balance 1 July 2020	-
Additions	84,546
Depreciation	<u>(14,091)</u>
Carrying Amount 30 June 2021	<u>70,455</u>

NOTE 12 TRADE AND OTHER PAYABLES

	2021	2020
	\$	\$
Current		
Unsecured Liabilities:		
Payables to other Reporting Units	-	-
Trade and other Payables:		
Consideration to Employer for Payroll deductions	-	-
Legal Expenses - Litigation	-	-
- Other	2,585	-
Taxation Liabilities	37,310	23,169
Other	<u>12,474</u>	<u>4,577</u>
	<u>52,369</u>	<u>27,746</u>

Settlement of trade and other payables is usually made within 30 days.

NOTE 13 PROVISIONS

Employee Provisions

	2021	2020
Office Holders:		
- Annual Leave	11,403	10,071
- Long Service Leave	-	-
- Sick Leave	3,725	1,003
- Separations and Redundancies	-	-
- Other	<u>-</u>	<u>-</u>
	<u>15,128</u>	<u>11,074</u>

THE BACON FACTORIES' UNION OF EMPLOYEES
ABN: 88 462 033 951

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 13 PROVISIONS (cont'd)	2021	2020
	\$	\$
Employees other than Office Holders:		
- Annual Leave	2,967	2,065
- Long Service Leave	-	-
- Sick Leave	1,146	1,105
- Separations and Redundancies	-	-
- Other	-	-
	<u>4,113</u>	<u>3,170</u>
Total Employee Provisions	<u>19,241</u>	<u>14,244</u>
Analysis of Total Provisions		
Current	19,241	14,244
Non Current	-	-
	<u>19,241</u>	<u>14,244</u>

There were 3 employees at the end of the year.

Provision for Employee Benefits

The measurement and recognition criteria for employee benefits has been included in Note 1.

NOTE 14 GRANTS AND DONATIONS

Grants over \$1,000	-	-
Grants less than \$1,000	-	-
Donations over \$1,000	-	-
Donations less than \$1,000	-	-
	<u>-</u>	<u>-</u>

NOTE 15 KEY MANAGEMENT PERSONNEL REMUNERATION
FOR THE REPORTING PERIOD

Short Term Employee Benefits:		
- Salary	71,341	135,454
- Annual Leave and other Entitlements	4,054	(41,418)
Total Short Term Employee Benefits	<u>75,395</u>	<u>94,036</u>
Post Employment Benefits:		
- Superannuation	6,715	11,367
Total Post Employment Benefits	<u>6,715</u>	<u>11,367</u>
Other Long Term Benefits	-	-
Separation Benefits	-	-
Redundancies	-	-
Total	<u>82,110</u>	<u>105,403</u>

THE BACON FACTORIES' UNION OF EMPLOYEES

ABN: 88 462 033 951

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021****NOTE 16 FINANCIAL INSTRUMENTS**

The union's financial assets comprise cash and cash equivalents held to maturity investments and receivables. In addition the union has various financial liabilities including amounts payable to trade and other creditors. The totals for each category of financial instruments are as follows:-

Financial Assets	2021	2020
	\$	\$
Cash and Bank Balances		
Cash at Bank - NAB	98	7,798
Cash at Bank - Bendigo Bank	168	4,767
Cash at Bank - NAB Debit Card	1,415	2,828
Petty Cash Imprest	200	200
Total	1,881	15,593
Held to Maturity Investments		
Term Deposit - Members Equity	275,000	325,000
Term Deposit - NAB	5,000	5,000
Total	280,000	330,000
Loans and Receivables		
Receivables	8,680	9,105
Total Carrying Amount of Financial Assets	290,561	354,698
Financial Liabilities		
Other Financial Liabilities		
Other Creditors	15,059	4,577
Taxation Liabilities	37,310	23,169
Total	52,369	27,746
Total Carrying Amount of Financial Liabilities	52,369	27,746
Net Income and Expenses from Financial Assets		
Held to Maturity		
Interest Revenue	2,098	8,386
Net Gain/(Loss) Held to Maturity	2,098	8,386
Net Gain/(Loss) from Financial Assets	2,098	8,386
Net Income and Expenses from Financial Liabilities		
At Amortised Cost		
Other Creditors:		
Interest Expense	-	-
Net Gain/(Loss) Financial Liabilities at Amortised Cost	-	-
Net Gain/(Loss) from Financial Liabilities	-	-

THE BACON FACTORIES' UNION OF EMPLOYEES
ABN: 88 462 033 951

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 16 FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Policies

The committee's overall risk management strategy seeks to assist the Union in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the committee on a regular basis. These include the credit risk policies and future cash flow requirements.

The Union does not invest in shares or derivatives and therefore has no exposure to the fluctuation in price that is inherent in such a market.

No financial asset was past due or impaired at 30 June 2021.

Specific Financial Risk Exposures and Management

Credit Risk

Credit risk refers to the risk of any default on any type of debt owing to the Union. The Union is exposed to credit risk on its memberships fees, trade debtors, and other debtors. The Union manages this credit risk by continually reconciling members amounts due against monies received and regular reporting to identify outstanding amounts owed.

Interest Rate Risk

Interest rate risk refers to the risk that the value of financial instruments or cash flows associated with instruments will fluctuate due to changes in market interest rates. The Union is exposed to interest rate fluctuations on its cash at bank. Interest rate risk is managed by continually reviewing the cash balances and transferring excess funds to term deposit accounts that earn a better rate of return.

Liquidity Risk

Liquidity risk arises from the possibility that the union might encounter difficulty in settling its debts related to financial liabilities. The Union manages this risk by monitoring the operational, investing and financing activities of the Union.

Fair Value Measurement

Management of the Union assessed that [cash, trade receivables, trade payables, and other current liabilities] approximate their carrying amounts largely due to the short-term maturities of these instruments.

NOTE 17 RECONCILIATION OF CASH

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:-

THE BACON FACTORIES' UNION OF EMPLOYEES
ABN: 88 062 033 951

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 17 RECONCILIATION OF CASH (cont'd)	2021	2020
	\$	\$
Cash at Bank - NAB	98	7,798
Cash at Bank - Bendigo Bank	168	4,767
Cash at Bank - NAB Debit Card	1,415	2,828
Petty Cash Imprest	200	200
Term Deposit - Members Equity	275,000	325,000
Term Deposit - NAB	5,000	5,000
	<u>281,881</u>	<u>345,593</u>

NOTE 18 CASH FLOW INFORMATION

Reconciliation of Cash Flow from Operating Activities

Net Surplus (Deficit) for the Year	(102,295)	(52,190)
Non Cash Flows in Surplus:		
Depreciation & Amortisation	17,664	4,494
Loss on Sale of Non-Current Assets	3,535	-
Changes in Assets and Liabilities:		
(Increase) Decrease in Trade and other Receivables	425	778
(Increase) Decrease in other Assets	(327)	1,460
Increase (Decrease) in Trade and other Payables	24,623	(15,428)
Increase (Decrease) in Provisions	4,997	(38,248)
Net Cash provided by Operating Activities	<u>(51,378)</u>	<u>(99,134)</u>

Cash Flow Statement

The following amounts relate to cash inflows/outflows from related party entities and other reporting units.

Cash to/from Operating Activities

- Related Parties	-	-
- Other Reporting Units	-	-

NOTE 19 EVENTS AFTER THE REPORTING PERIOD

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the union is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the union. Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the union, the results of those operations, or the state of affairs of the union in subsequent financial periods.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 20 RELATED PARTY TRANSACTIONS

Terms and Conditions of Transactions with Related Parties

Transactions with council members in relation to payments by them of union fees are on the same basis as other members of the union. Any other transactions are made on terms equivalent to those that prevail in arms' length transactions.

Honorarium paid to council members and delegates are paid in accordance with criteria determined by the State Council.

Payments to former Related Parties

No payments were made during the financial year to a former related party of the union.

NOTE 21 GOING CONCERN

The Union is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis nor has it agreed to provide financial support to another reporting unit to enable it to continue on a going concern basis.

NOTE 22 AMALGAMATION & RESTRUCTURE

The Union has not acquired an asset or liability during the financial year as a result of:-

- (a) An amalgamation under Part 2 of Chapter 3 of the Fair Work (Registered Organisations) Act 2009.
- (b) A restructure of branches of the organisation.
- (c) A determination by the General Manager under Sub-Section 245(1) of the Fair Work (Registered Organisations) Act 2009 of an alternative reporting structure for the Union.
- (d) A revocation by the General Manager under Sub-Section 249(1) of the Fair Work (Registered Organisations) Act 2009 of a certificate issued to a Union under Sub-Section 245(1).
- (e) A business combination.

NOTE 23 STATEMENT OF CHANGES IN ACCUMULATED FUNDS

No transaction occurred during the financial year in relation to:-

- funds or accounts in respect of compulsory levies or voluntary contributions.
- transfers or withdrawals to a fund, account or controlled entity where these were kept for a specific purpose.

NOTE 24 RECOVERY OF WAGES ACTIVITIES

No recovery of wage activity was undertaken by the union during the financial year.

THE BACON FACTORIES' UNION OF EMPLOYEES
ABN: 88 462 033 951

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 25 ADMINISTRATION OF AFFAIRS

During the financial year no other entity administered the financial affairs of the union.

NOTE 26 UNION DETAILS

(a) **Registered Office**

The registered office of the union is:

Suite H, 184 Bay Terrace
Wynnum QLD 4178

(b) **Principal Place of Business**

The principal place of business is:

Suite H, 184 Bay Terrace
Wynnum QLD 4178



17 December 2021

Mr Steven Vaughan
General Secretary
Bacon Factories' Union of Employees, Queensland

By e-mail: bfue@powerup.com.au

Dear Mr Vaughan

Bacon Factories' Union of Employees, Queensland
Financial Report for the year ended 30 June 2021 - FR2021/238

I acknowledge receipt of the financial report for the year ended 30 June 2021 for the Bacon Factories' Union of Employees, Queensland (**the reporting unit**). The financial report was lodged with the Registered Organisations Commission (**ROC**) on 14 December 2021.

The financial report has not been filed. I have examined the report and identified a number of matters, the details of which are set out below, that you are required to address before the report can be filed.

The general purpose financial report (GPFR) and auditor's statement will require amendments. The amended report will need to be approved by the committee of management, provided to members and lodged with the ROC with a new designated officer's certificate.

The matters identified should be read in conjunction with the *Fair Work (Registered Organisations) Act 2009* (the RO Act), *Fair Work (Registered Organisations) Regulations 2009* (the RO Regs), the 5th edition of the reporting guidelines (RG) made under section 255 of the RO Act and Australian Accounting Standards.

To assist with the preparation of financial reports, organisations should consult the template model financial statements which is available from the ROC website.

1. Non-compliance with previous requests

While we filed last year's financial report, we raised certain issues for the reporting unit to address in the preparation of future financial reports. I note that the same errors have appeared in the current report, namely revenue not disclosed in accordance with Australian accounting standard AASB 15.

The ROC aims to assist reporting units comply with their obligations under the RO Act and reporting guidelines by providing advice about the errors identified in financial reports. Failure to

address these issues may lead to the Commissioner exercising his powers under section 330 of the RO Act.

2. Timescale requirements

As you are aware, an organisation is required under the RO Act to undertake certain steps in accordance with specified timelines. Information about these timelines can be found on the ROC website. In particular, I draw your attention to the fact sheet titled 'Financial reporting process' which explains the timeline requirements, and the fact sheet titled 'Summary of financial reporting timelines' which sets out the timelines in diagrammatical format.

I note that the following timescale requirements were not met:

Committee of management statement must be audited

The committee of management statement lodged with the financial report was dated 10 December 2021, which is after the statements were audited. Section 257(1) of the RO Act requires the full report, which includes the committee of management statement, to be audited.

After the GPFR has been prepared, but before it has been audited, the reporting unit's committee of management is required to meet and pass a resolution that contains certain declarations as specified in reporting guideline 26. The reporting unit is required to ensure that the committee of management meets prior to the audit of the GPFR.

The reporting unit is required to resubmit the financial statements, the notes to the statements and the committee of management statement to audit. The audit report is required to include the committee of management statement in its scope. The full report is required to be provided to members after the revised audit report is made. The full report is to be presented to a committee of management meeting and a fresh designated officer's certificate and the full report must be lodged with the ROC within 14 days of the meeting.

Reports must be provided to members within 5 months after end of financial year where report is presented to committee of management meeting

Under section 265(5)(b) of the RO Act, where the report is presented to a committee of management meeting, the report must be provided to members within 5 months of the end of the financial year. The designated officer's certificate states that the financial report was presented, for the purposes of section 266, to a committee of management meeting and that the full report was provided to members on 10 December 2021.

If the date of provision certified is correct, the reporting unit should have applied for an extension of time to provide the full report to members in accordance with section 265(5) of the RO Act.

Please note that in future financial years if an extension of time to provide the full report later than 5 months is required, a written request, signed by a relevant officer, including any reason for the delay, must be made prior to the expiry of the 5 months.

Please note that subsection 265(5) is a civil penalty provision.

3. General Purpose Financial Report (GPFR)

AASB 15 - Revenue from contracts with customers disclosures

Australian Accounting Standard AASB 15 *Revenue from Contracts with Customers* paragraph 110 requires an entity to make specific disclosures in regard to contracts with customers.

It appears that these disclosures have not been made.

Please amend the GPFR to include all relevant and required financial disclosures in accordance with AASB 15.

4. Rotation of registered auditor

You must rotate your registered auditor

Correspondence was provided to the reporting unit on 23 June 2021, which alerted you that your registered auditor is approaching their statutory limit on how many consecutive financial years they are permitted to audit your financial report. The financial report lodged identifies that Norman Hoare was the reporting unit's registered auditor for this financial year. Our records indicate that you have now used your current registered auditor for five consecutive financial years, which is the statutory limit under section 256A.

Please ensure that Norman Hoare is not assigned to audit the financial report of the reporting unit for at least the following two financial years. Further information on the rotation of registered auditor requirement can be found on the ROC website.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 9603 0707 or by email at ken.morgan@roc.gov.au

Yours faithfully



KEN MORGAN
Financial Reporting Specialist
Registered Organisations Commission

**THE BACON FACTORIES' UNION OF EMPLOYEES
QUEENSLAND
ABN: 88 462 033 951**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

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The Bacon Factories' Union of Employees, Queensland

s.268 Fair Work (Registered Organisations) Act 2009

Certificate by prescribed designated officer

Certificate for the year ended 30 June 2021

I Steven Vaughan being the General Secretary of the Bacon Factories' Union of Employees, Queensland certify:

- that the documents lodged herewith are copies of the full report for the Bacon Factories' Union of Employees, Queensland for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 10th December 2021 and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 10th December 2021 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer: S. Vaughan

Name of prescribed designated officer: Steven Vaughan

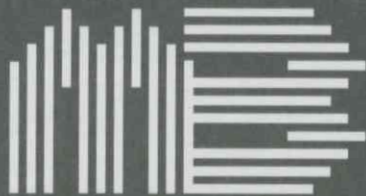
Title of prescribed designated officer: General Secretary

Dated: 14th December 2021



This certificate is only required to be lodged with the ROC

The designated officer's certificate must be completed, signed and dated by a prescribed designated officer **after** all the events within the financial reporting process have been completed. This will occur **after** the presentation of the full report to the relevant s.266 meeting (2nd meeting).



**MORRIS &
BATZLOFF**

Company Directors
Mark Batzloff
BBus GradDipAdvAcc CA

Norm Hoare
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THE BACON FACTORIES' UNION OF EMPLOYEES, QUEENSLAND
ABN: 88 462 033 951

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF THE BACON FACTORIES' UNION OF EMPLOYEES
QUEENSLAND

Report on the Audit of the Financial Report

Opinion

I have audited the general purpose financial report of The Bacon Factories' Union of Employees, Queensland, which comprises the statement of financial position as at 30 June 2021, and the statement of comprehensive income, statement of changes in members equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes and the committee of management's statement for the year then ended, and the subsection 255(2A) report.

In my opinion, the financial report presents fairly, in all material respects, the financial position of The Bacon Factories' Union of Employees, Queensland as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

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

Basis for Opinion

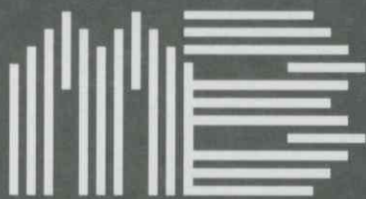
I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the union in accordance with the ethical requirements 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.



**MORRIS &
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THE BACON FACTORIES' UNION OF EMPLOYEES, QUEENSLAND
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INDEPENDENT AUDIT REPORT

**TO THE MEMBERS OF THE BACON FACTORIES' UNION OF EMPLOYEES
QUEENSLAND**

Information Other than the Financial Report and Auditor's Report Thereon (cont'd)

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

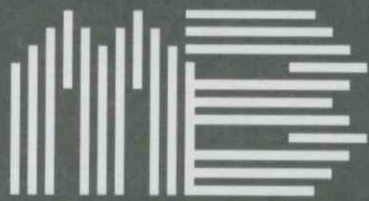
The committee of management and the secretary of the Union are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009 and for such internal control as the committee of management 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 and the secretary of the Union are responsible for assessing the Union'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 either intend to liquidate the Union 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 the 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 this financial report.

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



**MORRIS &
BATZLOFF**

THE BACON FACTORIES' UNION OF EMPLOYEES, QUEENSLAND
ABN: 88 462 033 951

INDEPENDENT AUDIT REPORT

**TO THE MEMBERS OF THE BACON FACTORIES' UNION OF EMPLOYEES
QUEENSLAND**

Auditor's Responsibilities for the Audit of the Financial Report (Cont'd)

- 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 union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Conclude on the appropriateness of the 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 union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the union 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.

Company Directors
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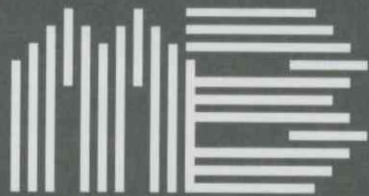
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CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

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Tax agent
74070002



**MORRIS &
BATZLOFF**

THE BACON FACTORIES' UNION OF EMPLOYEES, QUEENSLAND
ABN: 88 462 033 951

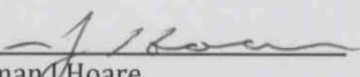
INDEPENDENT AUDIT REPORT

**TO THE MEMBERS OF THE BACON FACTORIES' UNION OF EMPLOYEES
QUEENSLAND**

I communicate with the committee 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 approved auditor, registered under the Fair Work (Registered Organisations) Act 2009, Registered Number AA2017/84.

MORRIS & BATZLOFF
Chartered Accountants


Norman Hoare
Registered Company Auditor

Morris & Batzloff
Chartered Accountants
141 Logan Road, Woolloongabba

Dated: 7/12/2021

Company Directors
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CHARTERED ACCOUNTANTS
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Tax agent
74970002

THE BACON FACTORIES' UNION OF EMPLOYEES
ABN: 88 462 033 951

REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 30 JUNE 2021

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Union for the year ended 30 June 2021.

Categories of Expenditure	2021	2020
	\$	\$
Remuneration and other employment-related costs and expenses - employees	172,682	195,990
Advertising	-	-
Operating costs	69,625	72,672
Donations to political parties	-	-
Legal costs	4,085	-

Signature of Designated Officer

S. O. -

Name and Title of Designated Officer

Steven Vaughan - General Secretary.

Dated: 10th December 2021

The Bacon Factories' Union of Employees, Queensland

Operating report

for the year ended 30 June 2021

The committee of management presents its operating report on the reporting unit for the year ended 30 June 2021.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

The principal activity of The Bacon Factories' Union of Employees, Queensland State Council, is to act on behalf of members and approve the Union's expenses as per the financial report.

Significant changes in financial affairs

No significant changes in the financial affairs occurred during the year.

Right of members to resign

Members retain the right to resign from The Bacon Factories' Union of Employees, Queensland in accordance with section 10 of the Rules of the Bacon Factories' Union of Employees, Queensland and section 174 of the Fair Work (Registered Organisation) Act 2009.

Officers or members who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position

Nil

Number of members

Number of Members as at June 2021 : 324 (2020 : 430)

Number of employees

Number of Employees as at 30 June 2021 : 3 (2020 : 3)

Names of committee of management members and period positions held during the financial year

Warren Bray – General President – 1/7/2020 – 31/12/2020

Steven Vaughan – General Secretary – Whole Period

Katrina Barden – State Councillor – Whole Period

Allan Johnston – State Councillor – Whole Period

Cameron Maguire – State Councillor – 9/3/2021 – current

Signature of designated officer: *S.V.*

Name and title of designated officer: *Steven Vaughan - General Secretary*

Dated: *10th December 2021*

THE BACON FACTORIES' UNION OF EMPLOYEES
ABN: 88 462 033 951

COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

On the *10th* day of *December* 2021 the Committee of Management of the THE BACON FACTORIES' UNION OF EMPLOYEES, QUEENSLAND passed the following resolution in relation to the general purpose financial report of the union for the financial year ended 30 June 2021.

The Committee of Management declares that in its opinion:

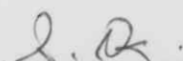
- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements of the reporting guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the union for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the union will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the general purpose financial report relates and since the end of the year:
 - (i) meetings of the Committee were held in accordance with the rules of the organisation; and
 - (ii) the financial affairs of the union have been managed in accordance with the rules of the organisation; and
 - (iii) the financial records of the union have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and
 - (iv) the financial records of the union have been kept as far as practicable, in a consistent manner to previous years. There are no other branches of the organisation; and
 - (v) no information was sought by any member of the union or Commissioner under section 272 of the Fair Work (Registered Organisations) Act 2009; and

THE BACON FACTORIES' UNION OF EMPLOYEES
ABN: 88 462 033 951

COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

- (e) (vi) no orders have been made by the Fair Work Commission under section 273
of the Fair Work (Registered Organisations) Act 2009.

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


Secretary - Steven Vaughan

Dated: 10th December 2021

THE BACON FACTORIES' UNION OF EMPLOYEES
ABN: 88 462 033 951

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Revenue	3	165,296	220,966
Expenses			
Affiliation Fees	4	4,049	5,308
Bank Fees		220	278
Depreciation & Amortisation		17,664	4,494
Grants & Donations	14	-	-
Employee Benefit Expense	5(a)	172,682	195,990
Honorariums		4,459	4,383
Loss on Disposal - Non Current Assets		3,535	-
Professional Fees	5(b)	8,934	7,500
Rent and Outgoings		4,000	16,250
Travel Accommodation & Conferences	5(c)	13,605	10,866
Other Expenses		<u>38,443</u>	<u>28,087</u>
Total Expenses		<u>267,591</u>	<u>273,156</u>
Surplus (Deficit) for the Year		<u>(102,295)</u>	<u>(52,190)</u>
Total Comprehensive Income for the Year		<u>(102,295)</u>	<u>(52,190)</u>

The accompanying notes form part of these financial statements

THE BACON FACTORIES' UNION OF EMPLOYEES
ABN: 88 462 033 951

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
CURRENT ASSETS			
Cash Assets	6	281,881	345,593
Trade and Other Receivables	7	8,680	9,105
Other Assets	8	<u>4,139</u>	<u>3,812</u>
Total Current Assets		<u>294,700</u>	<u>358,510</u>
NON CURRENT ASSETS			
Equipment, Furniture & Vehicle	9	9,627	16,897
Intangibles	10	1,785	1,849
Right of Use Asset	11	<u>70,455</u>	<u> </u>
Total Non Current Assets		<u>81,867</u>	<u>18,746</u>
Total Assets		<u>376,567</u>	<u>377,256</u>
CURRENT LIABILITIES			
Trade and Other Payables	12	52,369	27,746
Provisions	13	19,241	14,244
Lease Liability		<u>13,160</u>	<u> </u>
Total Current Liabilities		<u>84,770</u>	<u>41,990</u>
NON CURRENT LIABILITIES			
Lease Liability		<u>58,826</u>	<u> </u>
Total Non Current Liabilities		<u>58,826</u>	<u> </u>
Total Liabilities		<u>143,596</u>	<u>41,990</u>
NET ASSETS		<u>232,971</u>	<u>335,266</u>
EQUITY			
Members' Funds		<u>232,971</u>	<u>335,266</u>
TOTAL MEMBERS' EQUITY		<u>232,971</u>	<u>335,266</u>

The accompanying notes form part of these financial statements

THE BACON FACTORIES' UNION OF EMPLOYEES
ABN: 88 462 033 951

STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Members' Funds \$	Total \$
Balance at 1 July 2019	387,456	387,456
Surplus (Deficit) attributable to Members	<u>(52,190)</u>	<u>(52,190)</u>
Balance at 30 June 2020	335,266	335,266
Surplus (Deficit) attributable to Members	<u>(102,295)</u>	<u>(102,295)</u>
Balance at 30 June 2021	<u>232,971</u>	<u>232,971</u>

The accompanying notes form part of these financial statements

THE BACON FACTORIES' UNION OF EMPLOYEES
ABN: 88 462 033 951

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Members and related activities		133,464	184,210
Covid-19 Stimulus Package		27,584	5,683
Receipts from Other Reporting Units		-	-
Payments to Suppliers and Employees		(214,524)	(298,541)
Payments to Other Reporting Units		-	-
Interest Received		2,098	9,514
Interest and other Costs of Finance		-	-
		<hr/>	<hr/>
Net Cash provided by (used in) operating activities	18	(51,378)	(99,134)
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for Plant and Equipment		-	(2,719)
Payments for Website		-	(1,913)
		<hr/>	<hr/>
Net Cash provided by (used in) investing activities		-	(4,632)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of lease liability		(12,334)	-
		<hr/>	<hr/>
Net Cash provided by (used in) financing activities		(12,334)	-
Net Increase (Decrease) in cash held		(63,712)	(103,766)
Cash at the beginning of the Year		345,593	449,359
		<hr/>	<hr/>
Cash at the end of the Year	17	281,881	345,593

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

(a) **General Information**

This financial report covers The Bacon Factories' Union of Employees, Queensland as an individual entity. The union was registered under the Fair Work (Registered Organisation) Act 2009 on the 29 May 2015.

(b) **Statement of Compliance**

This financial report is a general purpose financial report and has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general financial statements, THE BACON FACTORIES' UNION OF EMPLOYEES, QUEENSLAND is a not for profit entity.

(c) **Basis of Preparation**

The financial report has been prepared on an accruals basis and is based on historical costs modified, where applicable, by the measurement at fair value of selected non current assets, financial assets and financial liabilities as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

(d) **Comparatives**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(e) **Accounting Estimates and Judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) **Critical Accounting Estimates and Assumptions**

The Union makes estimates and assumptions concerning the future. The resulting accounting estimates by definition seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

(ii) **Critical Judgements in applying the Union's Accounting Principles**

There are no critical judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

(e) **Accounting Estimates and Judgements (cont'd)**

(iii) **Estimation of Useful Life of Assets**

The reporting union's assumptions about the useful life of assets are set out in Note 1(g).

(iv) **Long Service Leave Provision**

The reporting union's assumptions in determining the provision for long service leave are set out in Note 1(k).

(f) **New Australian Accounting Standards**

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date stated in the standards. A summary of applicable standards is outlined below:-

- AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material.

Impact on adoption of AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Bacon Factories' Union of Employees.

The accounting policies adopted are consistent with those of the previous financial year.

(g) **Plant and Equipment**

Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line or diminishing value basis over the asset's useful life to the union commencing from the time the asset is held ready for use.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

(g) Plant and Equipment (cont'd)
Depreciation (cont'd)

The depreciation rates used for each class of depreciable assets are:

Vehicle - Diminishing value basis	25%
Office Equipment - Diminishing value basis	10% - 20%
Office Equipment - Prime cost basis	20% - 25%
Furniture & Fittings - Diminishing value basis	7.5% - 20%
Right of Use Asset - Straight line basis	Term of Lease

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Derecognition

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

Impairment for Non Financial Assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Bacon Factories' Union of Employees, Queensland were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

(h) Intangible Assets

Intangible Assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and impairment losses. Amortisation is recognised on a straight line basis over their estimated useful life.

(i) Investments (Financial Assets)

Non current investments are measured on the cost basis. The carrying amount of non current investments is reviewed annually to ensure it is not in excess of the recoverable amount of these investments.

(j) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

(k) Employee Entitlements

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, sick leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

In the case of Long Service Leave, the provision has been measured by reference to periods of service and current salary rates as it is considered that this results in an amount not materially different to that achieved by discounting estimated future cash flows.

Payments to employee superannuation funds are recognised as an expense when employees have rendered service entitling them to the contributions.

(l) Income Tax

No provision for income tax has been raised as the Union is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997. The Union has obligations for Fringe Benefit Tax and Goods and Services Tax.

(m) Revenue

The union enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies and grants.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Membership Subscriptions

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the union.

If there is only one distinct membership service promised in the arrangement, the union recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the union's promise to stand ready to provide assistance and support to the member as required.

Gains from Sale of Assets

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

Rental Income

Leases in which the union as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease term.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

(m) Revenue (cont'd)

Government Grants

Government grants are not recognised until there is reasonable assurance that the union will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the union with no future related costs are recognised in profit or loss in the period in which they become receivable.

Interest revenue is recognised on an accrual basis.

All Revenue is stated net of the amount of Goods & Services Tax (GST).

Disaggregation of Revenue

A disaggregation of the union's revenue by type of arrangements and by type of customer is provided in note 3 to these financial statements.

(n) Borrowing Costs

All borrowing costs are recognised in profit and loss the period in which they are incurred.

(o) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

(p) Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The union's financial liabilities include trade and other payables.

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

(q) Leases

The union assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

(q) Leases (cont'd)

The Union as a Lessee

The union applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The union recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use Assets

The union recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease Liabilities

At the commencement date of the lease, the union recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the union.

In calculating the present value of lease payments, the union uses the incremental borrowing rate if the rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The union's lease over its premises commenced on 28 August 2020.

Short term leases and leases of low value assets are recognised as operating leases.

Operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits derived from the leased assets.

(r) Financial Assets Impairment

Financial assets are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

(s) Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Balance Sheet but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

NOTE 2 NOTICE REQUIRED UNDER THE FAIR WORK (REGISTERED ORGANISATION) ACT 2009

In accordance with the requirements of the Fair Work (Registered Organisation) Act 2009 the attention of members is drawn to the provisions of subsections (1), (2) and (3) of Section 272, which read as follows:-

- (1) A member of a reporting unit, or the Commissioner of the Registered Organisations Commission, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application;
- (2) The application must be in writing and must specify the period 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).

NOTE 3 REVENUE AND OTHER INCOME

	2021	2020
	\$	\$
Revenue:		
Membership Fees	135,372	184,560
Capitation Fees - Other Reporting Units	-	-
Compulsory Levies	-	-
Covid-19 Stimulus Package - Commonwealth Government	27,584	27,339
Grants	-	-
Donations	-	-
Interest Revenue (NAB and ME Bank)	2,098	8,386
Other	242	681
	<u>165,296</u>	<u>220,966</u>

NOTE 4 AFFILIATION FEES

Queensland Council of Unions	3,313	4,572
Union Shopper	736	736
	<u>4,049</u>	<u>5,308</u>

THE BACON FACTORIES' UNION OF EMPLOYEES
ABN: 88 462 033 951

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
NOTE 5 SURPLUS FROM ORDINARY ACTIVITIES		
Surplus (Deficit) from ordinary activities has been determined after:		
Charging as an Expense:		
Amortisation - Intangible Assets	<u>64</u>	<u>64</u>
Depreciation of Non Current Assets:		
- Equipment, Furniture & Fittings and Vehicle	3,509	4,430
- Right of Use Asset	<u>14,091</u>	<u>-</u>
Loss on Disposal - Non Current Assets	<u>3,535</u>	<u>-</u>
Finance Costs	<u>2,986</u>	<u>-</u>
Rental Expense on Operating Leases:		
- Minimum Lease Payments	<u>-</u>	<u>16,250</u>
(a) Employee Expenses		
Holders of Office:		
- Wages and Salaries	71,341	135,454
- Superannuation	6,715	11,367
- Leave and Other Entitlements	4,054	(41,418)
- Separations and Redundancies	-	-
- Other	407	759
	<u>82,517</u>	<u>106,162</u>
Employees other than Office Holders:		
- Wages and Salaries	81,131	77,689
- Superannuation	7,630	8,534
- Leave and Other Entitlements	942	3,170
- Separations and Redundancies	-	-
- Other	462	435
	<u>90,165</u>	<u>89,828</u>
Total Employee Expenses	<u>172,682</u>	<u>195,990</u>
(b) Professional Fees		
Legal Costs:		
- Litigation	-	-
- Other Legal Matters	4,085	-
Audit Fees:		
- Audit of Financial Report	4,849	7,500
- Other Services	-	-
Total Professional Fees	<u>8,934</u>	<u>7,500</u>
(c) Travel, Accommodation and Conferences		
- Fees and Allowances	5,826	7,199
- Conferences and Meeting Expenses	2,093	3,667
- Other Travel Costs	5,686	-
Total Travel, Accommodation and Conferences	<u>13,605</u>	<u>10,866</u>

THE BACON FACTORIES' UNION OF EMPLOYEES
ABN: 88 462 033 951

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
NOTE 5 SURPLUS FROM ORDINARY ACTIVITIES (cont'd)		
(d) Other Expenses include the following:		
- Capitation Fees - Other Reporting Units	-	-
- Other Expenses - Other Reporting Units	-	-
- Compulsory Levies	-	-
- Penalties - via RO Act or RO Regulations	-	-
- Consideration to Employers for Payroll Deduction	-	-
Total Other Expenses	<u>-</u>	<u>-</u>
NOTE 6 CASH ASSETS		
Cash and Cash Equivalents:		
Cash at Bank - NAB	98	7,798
Cash at Bank - Bendigo Bank	168	4,767
Cash at Bank - NAB Debit Card	1,415	2,828
Petty Cash Imprest	200	200
	<u>1,881</u>	<u>15,593</u>
Term Deposits:		
Term Deposit - NAB	5,000	5,000
Term Deposit - Members Equity	275,000	325,000
	<u>280,000</u>	<u>330,000</u>
	<u>281,881</u>	<u>345,593</u>
NOTE 7 TRADE AND OTHER RECEIVABLES		
Current		
Receivables from other Reporting Units	-	-
Trade Debtors	6,453	4,304
<i>Less</i> Expected Credit Losses	-	-
Other Debtors	2,227	4,801
	<u>8,680</u>	<u>9,105</u>
NOTE 8 OTHER CURRENT ASSETS		
Prepayments	4,139	3,812
	<u>4,139</u>	<u>3,812</u>
NOTE 9 PLANT AND EQUIPMENT		
Motor Vehicles - at cost	15,176	39,990
Accumulated Depreciation	(11,087)	(29,956)
	<u>4,089</u>	<u>10,034</u>
Furnishings - at cost	12,698	12,698
Accumulated Depreciation	(11,347)	(11,231)
	<u>1,351</u>	<u>1,467</u>
Furniture & Fittings - at cost	10,935	10,935
Accumulated Depreciation	(10,735)	(10,700)
	<u>200</u>	<u>235</u>

THE BACON FACTORIES' UNION OF EMPLOYEES
ABN: 88 462 033 951

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
NOTE 9 PLANT AND EQUIPMENT (cont'd)	\$	\$
Office Machines - at cost	16,076	16,076
Accumulated Depreciation	<u>(12,780)</u>	<u>(11,723)</u>
	<u>3,296</u>	<u>4,353</u>
Plant & Equipment - at cost	8,576	8,576
Accumulated Depreciation	<u>(8,072)</u>	<u>(7,984)</u>
	<u>504</u>	<u>592</u>
Furniture & Equipment - at cost	1,171	1,171
Accumulated Depreciation	<u>(984)</u>	<u>(955)</u>
	<u>187</u>	<u>216</u>
Total Depreciable Assets	<u>9,627</u>	<u>16,897</u>

Movement in Carrying Amounts

Movement in the carrying amounts for equipment, furniture & vehicle between the beginning and the end of the current financial year.

	Equipment, Furniture and Vehicle
Balance at 1 July 2019	18,608
Additions	2,719
Disposals	-
Depreciation Expense	<u>(4,430)</u>
Carrying Amount at 30 June 2020	16,897
Additions	-
Disposals	(3,761)
Depreciation Expense	<u>(3,509)</u>
Carrying Amount at 30 June 2021	<u>9,627</u>

NOTE 10 INTANGIBLE ASSETS

	2021	2020
	\$	\$
Website - at cost	5,768	5,768
Less: Accumulated Amortisation	<u>(3,983)</u>	<u>(3,919)</u>
	<u>1,785</u>	<u>1,849</u>

Movement in Carrying Amount:

Carrying Amount 1 July 2019	1,913
Amortisation	<u>(64)</u>
Carrying Amount 30 June 2020	1,849
Additions	-
Amortisation	<u>(64)</u>
Carrying Amount 30 June 2021	<u>1,785</u>

NOTE 11 RIGHT OF USE ASSET

	2021	2020
	\$	\$
Building - leased	84,546	-
Less: Accumulated Depreciation	<u>(14,091)</u>	<u>-</u>
	<u>70,455</u>	<u>-</u>

THE BACON FACTORIES' UNION OF EMPLOYEES
ABN: 88 462 033 951

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 11 RIGHT OF USE ASSET

	2021
	\$
Movement in Carrying Amount:	
Balance 1 July 2020	-
Additions	84,546
Depreciation	<u>(14,091)</u>
Carrying Amount 30 June 2021	<u>70,455</u>

NOTE 12 TRADE AND OTHER PAYABLES

	2021	2020
	\$	\$
Current		
Unsecured Liabilities:		
Payables to other Reporting Units	-	-
Trade and other Payables:		
Consideration to Employer for Payroll deductions	-	-
Legal Expenses		
- Litigation	-	-
- Other	2,585	-
Taxation Liabilities	37,310	23,169
Other	<u>12,474</u>	<u>4,577</u>
	<u>52,369</u>	<u>27,746</u>

Settlement of trade and other payables is usually made within 30 days.

NOTE 13 PROVISIONS

Employee Provisions

Office Holders:		
- Annual Leave	11,403	10,071
- Long Service Leave	-	-
- Sick Leave	3,725	1,003
- Separations and Redundancies	-	-
- Other	-	-
	<u>15,128</u>	<u>11,074</u>
Employees other than Office Holders:		
- Annual Leave	2,967	2,065
- Long Service Leave	-	-
- Sick Leave	1,146	1,105
- Separations and Redundancies	-	-
- Other	-	-
	<u>4,113</u>	<u>3,170</u>
Total Employee Provisions	<u>19,241</u>	<u>14,244</u>
Analysis of Total Provisions		
Current	19,241	14,244
Non Current	-	-
	<u>19,241</u>	<u>14,244</u>

There were 3 employees at the end of the year.

Provision for Employee Benefits

The measurement and recognition criteria for employee benefits has been included in Note 1.

THE BACON FACTORIES' UNION OF EMPLOYEES
ABN: 88 462 033 951

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
NOTE 14 GRANTS AND DONATIONS		
Grants over \$1,000	-	-
Grants less than \$1,000	-	-
Donations over \$1,000	-	-
Donations less than \$1,000	-	-
	<u>-</u>	<u>-</u>

NOTE 15 KEY MANAGEMENT PERSONNEL REMUNERATION
FOR THE REPORTING PERIOD

Short Term Employee Benefits:

- Salary	71,341	135,454
- Annual Leave and other Entitlements	4,054	(41,418)
Total Short Term Employee Benefits	<u>75,395</u>	<u>94,036</u>

Post Employment Benefits:

- Superannuation	6,715	11,367
Total Post Employment Benefits	<u>6,715</u>	<u>11,367</u>

Other Long Term Benefits

Separation Benefits	-	-
Redundancies	-	-
Total	<u>82,110</u>	<u>105,403</u>

NOTE 16 FINANCIAL INSTRUMENTS

The union's financial assets comprise cash and cash equivalents held to maturity investments and receivables. In addition the union has various financial liabilities including amounts payable to trade and other creditors. The totals for each category of financial instruments are as follows:-

Financial Assets

Cash and Bank Balances

Cash at Bank - NAB	98	7,798
Cash at Bank - Bendigo Bank	168	4,767
Cash at Bank - NAB Debit Card	1,415	2,828
Petty Cash Imprest	200	200
Total	<u>1,881</u>	<u>15,593</u>

Held to Maturity Investments

Term Deposit - Members Equity	275,000	325,000
Term Deposit - NAB	5,000	5,000
Total	<u>280,000</u>	<u>330,000</u>

Loans and Receivables

Receivables	8,680	9,105
Total Carrying Amount of Financial Assets	<u>290,561</u>	<u>354,698</u>

THE BACON FACTORIES' UNION OF EMPLOYEES
ABN: 88 462 033 951

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 16 FINANCIAL INSTRUMENTS (cont'd)

	2021	2020
Financial Liabilities	\$	\$
Other Financial Liabilities		
Other Creditors	15,059	4,577
Taxation Liabilities	37,310	23,169
Total	<u>52,369</u>	<u>27,746</u>
Total Carrying Amount of Financial Liabilities	<u>52,369</u>	<u>27,746</u>
Net Income and Expenses from Financial Assets		
Held to Maturity		
Interest Revenue	2,098	8,386
Net Gain/(Loss) Held to Maturity	<u>2,098</u>	<u>8,386</u>
Net Gain/(Loss) from Financial Assets	<u>2,098</u>	<u>8,386</u>
Net Income and Expenses from Financial Liabilities		
At Amortised Cost		
Other Creditors:		
Interest Expense	-	-
Net Gain/(Loss) Financial Liabilities at Amortised Cost	<u>-</u>	<u>-</u>
Net Gain/(Loss) from Financial Liabilities	<u>-</u>	<u>-</u>

Financial Risk Management Policies

The committee's overall risk management strategy seeks to assist the Union in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the committee on a regular basis. These include the credit risk policies and future cash flow requirements.

The Union does not invest in shares or derivatives and therefore has no exposure to the fluctuation in price that is inherent in such a market.

No financial asset was past due or impaired at 30 June 2021.

Specific Financial Risk Exposures and Management

Credit Risk

Credit risk refers to the risk of any default on any type of debt owing to the Union. The Union is exposed to credit risk on its memberships fees, trade debtors, and other debtors. The Union manages this credit rate risk by continually reconciling members amounts due against monies received and regular reporting to identify outstanding amounts owed.

THE BACON FACTORIES' UNION OF EMPLOYEES

ABN: 88 462 033 951

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2021****NOTE 16 FINANCIAL INSTRUMENTS (cont'd)****Interest Rate Risk**

Interest rate risk refers to the risk that the value of financial instruments or cash flows associated with instruments will fluctuate due to changes in market interest rates. The Union is exposed to interest rate fluctuations on its cash at bank. Interest rate risk is managed by continually reviewing the cash balances and transferring excess funds to term deposit accounts that earn a better rate of return.

Liquidity Risk

Liquidity risk arises from the possibility that the union might encounter difficulty in settling its debts related to financial liabilities. The Union manages this risk by monitoring the operational, investing and financing activities of the Union.

Fair Value Measurement

Management of the Union assessed that [cash, trade receivables, trade payables, and other current liabilities] approximate their carrying amounts largely due to the short-term maturities of these instruments.

NOTE 17 RECONCILIATION OF CASH

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:-

	2021	2020
	\$	\$
Cash at Bank - NAB	98	7,798
Cash at Bank - Bendigo Bank	168	4,767
Cash at Bank - NAB Debit Card	1,415	2,828
Petty Cash Imprest	200	200
Term Deposit - Members Equity	275,000	325,000
Term Deposit - NAB	5,000	5,000
	<u>281,881</u>	<u>345,593</u>

NOTE 18 CASH FLOW INFORMATION**Reconciliation of Cash Flow from Operating Activities**

Net Surplus (Deficit) for the Year	(102,295)	(52,190)
Non Cash Flows in Surplus:		
Depreciation & Amortisation	17,664	4,494
Loss on Sale of Non-Current Assets	3,535	-

THE BACON FACTORIES' UNION OF EMPLOYEES
ABN: 88 462 033 951

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
NOTE 18 CASH FLOW INFORMATION (cont'd)		
Changes in Assets and Liabilities:		
(Increase) Decrease in Trade and other Receivables	425	778
(Increase) Decrease in other Assets	(327)	1,460
Increase (Decrease) in Trade and other Payables	24,623	(15,428)
Increase (Decrease) in Provisions	4,997	(38,248)
Net Cash provided by Operating Activities	<u>(51,378)</u>	<u>(99,134)</u>

Cash Flow Statement

The following amounts relate to cash inflows/outflows from related party entities and other reporting units.

Cash to/from Operating Activities

- Related Parties	-	-
- Other Reporting Units	-	-

NOTE 19 EVENTS AFTER THE REPORTING PERIOD

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the union is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the union. Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the union, the results of those operations, or the state of affairs of the union in subsequent financial periods.

NOTE 20 RELATED PARTY TRANSACTIONS

Terms and Conditions of Transactions with Related Parties

Transactions with council members in relation to payments by them of union fees are on the same basis as other members of the union. Any other transactions are made on terms equivalent to those that prevail in arms' length transactions.

Honorarium paid to council members and delegates are paid in accordance with criteria determined by the State Council.

Payments to former Related Parties

No payments were made during the financial year to a former related party of the union.

NOTE 21 GOING CONCERN

The Union is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis nor has it agreed to provide financial support to another reporting unit to enable it to continue on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 22 AMALGAMATION & RESTRUCTURE

The Union has not acquired an asset or liability during the financial year as a result of:-

- (a) An amalgamation under Part 2 of Chapter 3 of the Fair Work (Registered Organisations) Act 2009.
- (b) A restructure of branches of the organisation.
- (c) A determination by the General Manager under Sub-Section 245(1) of the Fair Work (Registered Organisations) Act 2009 of an alternative reporting structure for the Union.
- (d) A revocation by the General Manager under Sub-Section 249(1) of the Fair Work (Registered Organisations) Act 2009 of a certificate issued to a Union under Sub-Section 245(1).
- (e) A business combination.

NOTE 23 STATEMENT OF CHANGES IN ACCUMULATED FUNDS

No transaction occurred during the financial year in relation to:-

- funds or accounts in respect of compulsory levies or voluntary contributions.
- transfers or withdrawals to a fund, account or controlled entity where these were kept for a specific purpose.

NOTE 24 RECOVERY OF WAGES ACTIVITIES

No recovery of wage activity was undertaken by the union during the financial year.

NOTE 25 ADMINISTRATION OF AFFAIRS

During the financial year no other entity administered the financial affairs of the union.

NOTE 26 UNION DETAILS

(a) Registered Office

The registered office of the union is:

Suite H, 184 Bay Terrace
Wynnum QLD 4178

(b) Principal Place of Business

The principal place of business is:

Suite H, 184 Bay Terrace
Wynnum QLD 4178