



2 May 2013

Mr Graham Smith
Federal Secretary
Australasian Meat Industry Employees' Union
First Floor, 46 Greenhill Road
WAYVILLE SA 5034

Dear Mr Smith,

Re: Lodgement of Financial Statements and Accounts - Australasian Meat Industry Employees' Union, Federal Council - for year ended 30 June 2012 (FR2012/391)

I refer to the above financial statements and accounts which were lodged with the Fair Work Commission ('FWC') on 2 January 2013.

The documents have been filed and there is no further action required in respect of this report. However one of FWC's aims is to encourage and achieve a wide consistency across reporting units and a high standard of reporting that will be reflected in compliance with the letter and intent, of the legislation. Accordingly, I have identified areas which future reports either should rectify or where they may more correctly comply with the requirements.

Time frame for provision to members

I firstly draw your attention to subsection 265(5) of the RO Act, which provides that if the financial report will be presented under section 266 to a meeting of the committee of management, then, the report must be ordinarily provided to the members within 5 months of the end of the financial year (i.e. by 30 November).

The Secretary's Certificate certified that the financial report was provided to the members on 10 December 2012, which was 10 days outside the prescribed period.

An extension of time up to one month for the purpose of providing a copy of the report to members can be granted upon application if necessary. If in future years the reporting unit foresees that a delay preventing the audit of the report and the provision of the report to members by 30 November will occur, it should lodge an application for an extension of time under sub-section 265(5) of the RO Act.

Operating report disclosure - full-time equivalent

The operating report discloses the number of employees. Regulation 159(b) requires Operating Reports to disclose the number of employees expressed as a full-time equivalent, where both full-time and part-time employees are included. For the avoidance of doubt, the total should in future be calculated and expressed "as a full-time equivalent".

Auditor's report - wording of opinion

The Audit opinion states the financial report "gives a true and fair view" in accordance with the *Fair Work (Registered Organisations) Act 2009* ('the RO Act'). Australian Auditing Standard (ASA) 700 provides that the wording of the phrase used should reflect what is required by the

relevant law or regulation or by generally accepted practice in the jurisdiction¹. Sub-section 257(5) of RO Act provides that: “An auditor, must, in his or her report, state whether in the auditor’s opinion the general purpose financial report is presented fairly in accordance withetc.”

The audit opinion should in future state whether the financial report “presents fairly in accordance with...” etc.

Membership contributions - clarification

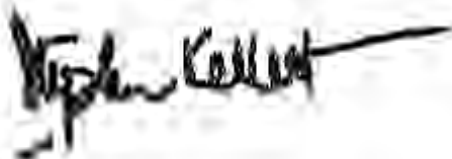
Note 1 Statement of Significant Accounting Policies on page 9 of the report states that “the financial statements have been prepared on an accruals basis” and that “(A)s permitted by the Fair Work (Registered Organisations) Act 2009, membership income is recognised on a cash basis”.

I take this as indicating compliance with the requirements. Moreover I note that the reporting unit’s revenue is derived from and is characterised as capitation fees and not as membership contributions. Nevertheless, as I indicated in my telephone call to you today, for clarification as necessary or for the avoidance of doubt, I wish to explain the requirements for reporting membership contributions if they form part of a reporting unit’s revenue.

The RO Act makes a distinction between (i) keeping records and (ii) preparing reports. Thus, although the financial records of membership contributions may be *kept* on a cash basis in accordance with sub-section 252(4), membership contributions must be *reported* on an accruals basis in accordance with Australian Accounting Standard (AASB) 101², in accordance with sub-section 253(1) which provides “....a reporting unit must cause a general purpose financial report to be prepared in accordance with the Australian Accounting Standards...”³

If you have any queries about the reporting requirements at any time, I may be contacted on (02) 67 77 77.

Yours sincerely



Stephen Kellett
Senior Adviser
Regulatory Compliance Branch

¹ Auditing and Assurance Handbook 2012 (ICAA) p.700

² See paragraph 27 of AASB 101, Financial Reporting Handbook 2012 (ICAA) p.464: “An entity shall prepare its financial statements, except for cash flow information, using the accrual basis of accounting”

³ See s253 at <http://www.fwc.gov.au/index.cfm?pagename=legislationfwroact>

From: [Research Fax](#)
To: [KELLETT, Stephen](#)
Subject: ON CMS- FR2012/391 Financial return AMIEU Federal Council - FR2012/391 - rec'd 2/1/2013
Date: Friday, 4 January 2013 11:04:23 AM
Attachments: [AMIEU Federal Council Financial Return 2012.pdf](#)

[From Hard copy FR2012/391](#)

-----Original Message-----

From: sydney@fwc.gov.au
Sent: Wednesday, 2 January 2013 4:07 PM
To: RIA Sydney
Subject: FW: Dispatch advice of electronic filing - Registered Organisations - Matter Number FR2013/4

DUNCAN TOD
Registry Officer

FAIR WORK COMMISSION
Tel: +61 2 8374 6615
Fax: +61 2 9380 6990
duncan.tod@fwc.gov.au

Level 8, Terrace Towers, 80 William Street, East Sydney NSW 2011

www.fwc.gov.au

Please be aware that my email address will change to duncan.tod@fwc.gov.au, effective 1 January 2013. Please update your records accordingly.

-----Original Message-----

From: efiling@fwc.gov.au [<mailto:efiling@fwc.gov.au>]
Sent: Wednesday, 2 January 2013 3:31 PM
To: sydney@fwc.gov.au
Subject: Dispatch advice of electronic filing - Registered Organisations - Matter Number FR2013/4

This message, with the electronic document(s) attached has been dispatched to the email address(es) specified above. For the purposes of subrules 20.5 & 20.6, this is NOT an acknowledgement that your document is taken to have been filed with Fair Work Australia. You will be subsequently advised whether your document is taken to have been filed.

Please review the details below and inform the office by email at the address specified below if they are incorrect and/or incomplete.

The documents will be manually checked against the Rules of Fair Work Australia as soon as possible and you will be advised by email of any anomaly.

Please note that each FWA office is open on ordinary working days between the hours of 9.00 am and 5.00 pm, local time.

NSW
Email: sydney@fwc.gov.au
02/01/2013 15:28

Type of Application: financial returns
Matter Number (IF your eFiling is accepted): FR2013/4 Registry in which to be filed: NSW

Contact Details
Title: Mr
Given name(s): Craig
Surname: Buckley
Position: National Organiser
Organisation: Australasian Meat Industry Employees Union
Address: c/ AMIEU Federal Council
Level 1, 39 Lytton Road
East Brisbane QLD
Postcode: 4169
Phone No: 0732173766
Mobile Phone No: [REDACTED]
Fax No: 0732174462

Email Address: craig@amieuqld.asn.au

Comments:

Attachments:

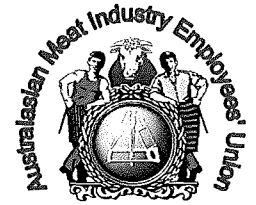
Lodgement of full financial report: AMIEU Federal Council Financial Return 2012.pdf

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THE AUSTRALASIAN MEAT INDUSTRY EMPLOYEES' UNION

(Federal Council)



Federal Secretary
GRAHAM SMITH

First Floor, 46 Greenhill Road, Wayville, SA 5034, Australia

Telephone: (08) 8274 4100

Facsimile: (08) 8274 4101

Federal President
PATRICIA FERNANDEZ

Website: <http://amieu.net/>

2 January 2013

The General Manager
Fair Work Australia
Level 8, Terrace Towers
80 William Street
EAST SYDNEY NSW 2011

Dear Sir or Madam

Re: AMIEU Federal Council – Annual Return for 2011/2012 Financial Year

I refer to the above and, enclose:

- (i) A copy of the full financial report of the Australasian Meat Industry Employees Union Federal Council for the year ending 30 June 2012 (including the committee of management certificate, signed by Mr Graham Smith, AMIEU Federal Secretary); and
- (ii) The certificate pursuant to Section 268(c) of the *Fair Work (Registered Organisations) Act 2009*, signed by the Federal Secretary, Mr Graham Smith.

If you have any queries about the above, or the enclosed documents, please do not hesitate to contact me.

Yours faithfully,

**GRAHAM SMITH
FEDERAL SECRETARY
A.M.I.E.U.**

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION
FEDERAL COUNCIL**

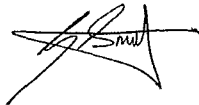
**CERTIFICATE PURSUANT TO
S. 268 FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009**

I, Graham Smith, Federal Secretary of the Australasian Meat Industry Employees' Union, certify:

- (a) that the documents lodged herewith are copies of the full report, referred to in Section 268 of the *Fair Work (Registered Organisations) Act*; and
- (b) that the full report was provided to the members on 10 December 2012; and
- (c) that the full report was presented to the committee of management of the reporting unit on 19 December 2012; in accordance with section 266 of the *Fair Work (Registered Organisations) Act*.

Dated at Adelaide this 2nd day of January 2013.

Signature:



Graham Smith
Federal Secretary
AMIEU Federal Council

**AUSTRALASIAN MEAT INDUSTRY
EMPLOYEES UNION - FEDERAL COUNCIL**

ABN 12 206 758 691

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – FEDERAL COUNCIL
ABN 12 206 758 691

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

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AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – FEDERAL COUNCIL
ABN 12 206 758 691

COMMITTEE OF MANAGEMENT'S OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2012

Operating Report

In accordance with section 254 of the *Fair Work (Registered Organisations) Act 2009* ("Act") the Committee of Management ("the Committee") presents its Operating Report on the Australasian Meat Industry Employees Union – Federal Council ("Council"), for the year ended 30 June 2012.

Principal Activities

The principal activity of the Council is to act to uphold the rights of organisational labour and to improve, protect and foster the best interests of its members, and to subscribe to and / or operate with a policy of improving the cultural and living standards of its members.

Operating Results

The loss for the financial year amounted to \$51,337 (2011: \$7,847 profit).

Review of Operations

A review of the operations of the Council during the financial year found that there was no significant change in the nature or the results of the operations during the year.

After Balance Date Events

No matters of circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Council, the results of those operations or the state of affairs of the Council in future financial years.

Future Developments

Likely developments in the operations of the Council or the expected result of those operations in future financial years have not been included in this report as such information is likely to result in unreasonable prejudice to the Council.

Environmental Issues

The Council's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Members Right to Resign

A member may resign from the Council by written notice addressed and delivered to the Secretary of the Branch in which membership is held.

Membership of Superannuation Scheme

The Council does not have a person who holds a position of trustee or director of an entity, scheme or company as described in s.254 (2) (d) of Schedule 1B, where a criterion of such entity is that the holder of such position must be a member or official of a registered organisation.

Membership of the Council

Number of members as at 30 June 2012: 17,526 (2011: 18,702).

Employees of the Council

Number of employees as at 30 June 2012: 2 (2011: 2).

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – FEDERAL COUNCIL
ABN 12 206 758 691**

**COMMITTEE OF MANAGEMENT'S OPERATING REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2012**

Members of the Committee of Management

The name of each person who has been a member of the Committee of Management of the Council at any time during the reporting period, and the period for which he or she held such a position is as follows:

Name	Period of appointment
Courtney, Grant	Whole Period
Crawford, Brian	Whole Period
Da Silva, John	Whole Period
Donzow, Charles	Whole Period
Smith, Graham	Whole Period
Fernandez, Patricia	Whole Period
Evans, Kath	Resigned 24 January 2012
Bird, Graham Eric	Resigned 31 December 2011
Baker, Troy	Appointed 3 February 2012
Conway, Paul	Appointed 1 January 2012

Indemnifying Officers or Auditors

The Council has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor:

- indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against liability for the costs or expenses to defend legal proceedings.

Proceedings on Behalf of Council

No person has applied for leave of Court to bring proceedings on behalf of the Council or intervene in any proceedings to which the Council is a part for the purpose of taking responsibility on behalf of the Council for all or any part of those proceedings. The Council was not a party to any such proceedings during the year.

Wages Recovery Activity

The Council has not undertaken any recovery of wages activity for the financial years ended 30 June 2012 and 30 June 2011.

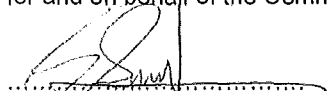
Other Information

There is no other information that the Council considers relevant.

Auditor's Independence Declaration

A copy of the auditor's independence declaration is set out on page 4.

This report is made in accordance with a resolution of the Committee of Management and is signed for and on behalf of the Committee of Management by:


.....
Graham Smith
Federal Secretary

3 September 2012

Cairns

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – FEDERAL COUNCIL
ABN 12 206 758 691

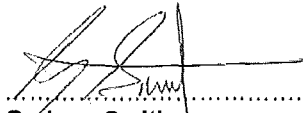
COMMITTEE OF MANAGEMENT STATEMENT

On 3 September 2012, the Committee of Management of the Council passed the following resolution to the General Purpose Financial statements of the Council for the year ended 30 June 2012.

The Committee of Management declares in relation to the General Purpose Financial Statements that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards and other mandatory professional reporting requirements;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Council for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the Council 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 statements relate and since the end of that year:
 - i. meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of the branch concerned; and
 - ii. the financial affairs of the Council have been managed in accordance with the rules of the organisation including the rules of the branch concerned; and
 - iii. the financial records of the Council have been kept and maintained in accordance with the *Registration and Accountability of Organisations (RAO) Schedule* and the *RAO Regulations*; and
 - iv. the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - v. the information sought in any request of a member of the Council or a Registrar duly made under section 272 of the *RAO Schedule* has been furnished to the member or Registrar; and
 - vi. no orders have been made by the Commissioner under section 273 of the *RAO Schedule* during the year.

For the Committee of Management (Federal Council)



Graham Smith
Federal Secretary

3 September 2012

Cairns

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF
AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – FEDERAL COUNCIL**

As lead auditor for the audit of the Australasian Meat Industry Employees Union – Federal Council for the year ended 30 June 2012, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2012 there have been:

- (i) no contraventions of any applicable code of professional conduct in relation to the audit.

M.C.I

MGI Assurance (South Qld) Pty Ltd



G I Kent
Director

Brisbane

31 August 2012

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – FEDERAL COUNCIL
ABN 12 206 758 691

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 \$	2011 \$
Revenue	2	322,355	329,667
Affiliation expenses		(69,698)	(65,009)
Employee benefit expense	3(a)	(125,152)	(116,669)
Meatworker publication and postage		(19,853)	-
Other expenses	3	<u>(158,989)</u>	<u>(140,142)</u>
Profit/(loss) before income tax expense		(51,337)	7,847
Income tax expense	1(a)	<u>-</u>	<u>-</u>
Profit/(loss) attributable to members of the Council		<u>(51,337)</u>	<u>7,847</u>
 Other Comprehensive Income			
Other comprehensive income (net of income tax)		<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the year		<u>(51,337)</u>	<u>7,847</u>
 Profit/(loss) attributable to:			
Members of the Council		<u>(51,337)</u>	<u>7,847</u>
 Total comprehensive income/(loss) attributable to:			
Members of the Council		<u>(51,337)</u>	<u>7,847</u>

The accompanying notes form part of these financial statements

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – FEDERAL COUNCIL
ABN 12 206 758 691

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

	Notes	2012 \$	2011 \$
CURRENT ASSETS			
Cash and cash equivalents	4	420,083	452,560
Trade debtors and other receivables	5	1,444	-
Prepayments		843	1,010
TOTAL CURRENT ASSETS		<u>422,370</u>	<u>453,570</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	1,142	1,773
TOTAL NON-CURRENT ASSETS		<u>1,142</u>	<u>1,773</u>
TOTAL ASSETS		<u>423,512</u>	<u>455,343</u>
CURRENT LIABILITIES			
Trade and other payables	7	75,409	57,333
TOTAL CURRENT LIABILITIES		<u>75,409</u>	<u>57,333</u>
NON-CURRENT LIABILITIES			
Employee benefits	8	15,577	14,147
TOTAL NON-CURRENT LIABILITIES		<u>15,577</u>	<u>14,147</u>
TOTAL LIABILITIES		<u>90,986</u>	<u>71,480</u>
NET ASSETS		<u>332,526</u>	<u>383,863</u>
MEMBERS EQUITY			
Retained earnings		<u>332,526</u>	<u>383,863</u>

The accompanying notes form part of these financial statements

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – FEDERAL COUNCIL
ABN 12 206 758 691

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012

	Retained earnings	Total
	\$	\$
Balance at 1 July 2010	376,016	376,016
Comprehensive income		
Profit attributable to members of the Union	7,847	7,847
Total Other comprehensive income for the year	-	-
Balance at 30 June 2011	<u>383,863</u>	<u>383,863</u>
Balance at 1 July 2011	383,863	383,863
Comprehensive income		
Loss attributable to members of the Union	(51,337)	(51,337)
Total Other comprehensive income for the year	-	-
Balance at 30 June 2012	<u>332,526</u>	<u>332,526</u>

The accompanying notes form part of these financial statements

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – FEDERAL COUNCIL
ABN 12 206 758 691

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 \$	2011 \$
Cash Flows from Operating Activities			
Receipts from members		299,721	339,174
Payments to suppliers and employees		(353,388)	(340,098)
Interest received		21,190	21,327
Net cash provided by operating activities	9(b)	(32,477)	20,403
Cash Flows from Investing Activities			
		-	-
Cash Flows Financing Activities			
		-	-
Net decrease in cash held		(32,477)	20,403
Cash at beginning of financial year		452,560	432,157
Cash at end of financial year	9(a)	420,083	452,560

The accompanying notes form part of these financial statements

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – FEDERAL COUNCIL
ABN 12 206 758 691

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover the Australasian Meat Industry Employees Union - Federal Council ("Council") as an individual entity. The financial statements do not include any transactions relating to the various State Branches. Each of the State Branches is a separate reporting unit as defined by the Act. The Council is a trade union which is incorporated and domiciled in Australia.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and other authoritative pronouncements of the Australian Accounting Standards Board and the *Fair Work (Registered Organisations) Act 2009* (the 'Act'). The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in the financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS). Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. As permitted by the *Fair Work (Registered Organisations) Act 2009*, membership income is recognised on a cash basis.

The financial statements were authorised for issue on 3 September 2012 by the Committee of Management of the Council.

(a) Income Tax

The Council is exempt from income tax by virtue of s50-45 of the *Income Tax Assessment Act 1997*.

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, at bank, 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 with short-term borrowings in current liabilities on the statement of financial position.

(c) Plant and Equipment

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

The carrying amount of plant and equipment is reviewed annually by the Council to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – FEDERAL COUNCIL
ABN 12 206 758 691

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Plant and Equipment (Continued)

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the Council commencing from the time the asset is held ready for use.

Depreciation rates used range from 5% – 20%.

The asset's residual value and useful lives are reviewed, and adjusted if appropriate, at each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income.

(d) Financial Instruments

Initial Recognition and Initial Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to the statement of comprehensive income immediately.

Classification and Subsequent Measurement

(i) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in the statement of comprehensive income. Realised and unrealised gains and losses arising from changes in fair value are included in the statement of comprehensive income in the period in which they arise.

(ii) Loans and Receivables

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

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments and it is the Council's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – FEDERAL COUNCIL
ABN 12 206 758 691

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

(iv) Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Impairment

At each reporting date, the Council assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of such cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

(e) Employee Benefits

Provision is made for the Council's liability for employee benefits arising from services rendered by employees to the end of the reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy any vesting requirements. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

(f) Provisions

Provisions are recognised when the Council has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(g) Revenue

Revenue is measured at fair value of the consideration received or receivable after taking into account any trade discounts and rebates allowed.

Revenue from member contributions is recognised on a cash basis as permitted by the *Fair Work (Registered Organisations) Act 2009*.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax ("GST").

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – FEDERAL COUNCIL
ABN 12 206 758 691

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Council during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of the recognition of the liability.

(i) 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 Tax Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(j) Comparative Figures

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

(k) Critical Accounting Estimates and Judgement

The Council's Committee of Management evaluates estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Council.

Key Estimates

Impairment - general

The Council assesses impairment at each reporting period by evaluation of conditions and events specific to the Council that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

No impairment has been recognised in respect of the current year.

(l) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which may be relevant to the Council. The Council has decided not to adopt any of the new and amended pronouncements. A discussion of those future requirements and their potential impact on the Council is set out below:

AASB 9: Financial Instruments (December 2010) and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127](applicable for annual reporting periods commencing on or after 1 January 2013).

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) New Accounting Standards for Application in Future Periods (Continued)

This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments. The Council has not yet determined any potential impact on the financial statements.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

The Council has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements.

AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013).

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

- Tier 1: Australian Accounting Standards; and
- Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

The Council has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) New Accounting Standards for Application in Future Periods (Continued)

AASB 2010-8: Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets (applies to periods beginning on or after 1 January 2012).

This Standard makes amendments to AASB 112: Income Taxes and incorporates Interpretation 121: Income Taxes – Recovery of Revalued Non-Depreciable Assets into AASB 112.

Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The amendments are not expected to impact the Council.

- AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements [August 2011], AASB 128: Investments in Associates and Joint Ventures [August 2011] and AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 10 replaces parts of AASB 127 [March 2008, as amended] and Interpretation 112: Consolidation – Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. The Council has not yet been able to reasonably estimate the impact of this Standard on its financial statements.

AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either "joint operations" (where the parties that have joint control of the arrangements have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed).

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the "special purpose entity" concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will affect disclosures only and is not expected to significantly impact the Council.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. These Standards are not expected to significantly impact the Council.

- AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) New Accounting Standards for Application in Future Periods (Continued)

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value.

These Standards are not expected to significantly impact the Council.

- AASB 2011–9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income (applicable for annual reporting periods commencing on or after 1 July 2012).

The main change arising from this Standard is the requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

This Standard affects presentation only and is therefore not expected to significantly impact the Council.

- AASB 119: Employee Benefits [September 2011] and AASB 2011–10: Amendments to Australian Accounting Standards arising from AASB 119 (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The Council does not have any defined benefit plans and so is not impacted by the amendment.

AASB 119 [September 2011] also includes changes to:

- (a) require only those benefits that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service to be classified as short-term employee benefits. All other employee benefits are to be classified as either other long-term employee benefits, post-employment benefits or termination benefits, as appropriate; and
- (b) the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of:
 - (i) where for an offer that may be withdrawn – when the employee accepts;
 - (ii) where for an offer that cannot be withdrawn – when the offer is communicated to affected employees; and
 - (iii) where the termination is associated with a restructuring of activities under AASB 137 and if earlier than the first two conditions – when the related restructuring costs are recognised.

The Council has not yet been able to reasonably estimate the impact of these changes to AASB 119.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
NOTE 2 – REVENUE		
Operating Activities		
- Capitation Fees	275,893	293,017
Non-Operating activities		
- Interest revenue	22,634	21,327
- Other revenue	23,828	15,323
TOTAL REVENUE	<u>322,355</u>	<u>329,667</u>

NOTE 3 – PROFIT BEFORE INCOME TAX

Profit before income tax from continuing operations include the following specific expenses

Expenses

- Airfares & Travel	32,745	37,325
- Audit & Accountancy	12,258	7,490
- Depreciation	631	630
- Legal expenses	60,042	24,262
- Other ordinary activities	53,313	70,435
	<u>158,989</u>	<u>140,142</u>

(a) Employee Benefits Expense

Officeholders

Salaries and Wages	6,923	-
Superannuation	5,873	12,000
Total Officeholders	<u>12,796</u>	<u>12,000</u>

Non-Officeholders

Salaries and Wages	90,590	85,207
Annual Leave	7,762	(1,941)
Long Service Leave	1,430	9,218
Personal Leave	4,469	4,150
Superannuation	8,105	8,035
Total Non-Officeholders	<u>112,356</u>	<u>104,669</u>

NOTE 4 – CASH AND CASH EQUIVALENTS

Cash at Bank	6,565	60,228
Short term bank deposits	413,518	392,332
	<u>420,083</u>	<u>452,560</u>

The effective interest rate on short-term bank deposits is 4.25% (2011: 5.6%); these deposits are held at call.

NOTE 5 – TRADE AND OTHER RECEIVABLES

CURRENT

Other Receivables - accrued interest	<u>1,444</u>	<u>-</u>
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
NOTE 6 – PROPERTY, PLANT AND EQUIPMENT		
<i>Plant and Equipment</i>		
Furniture and fittings:		
At cost	908	908
Accumulated Depreciation	(576)	(394)
Total furniture and fittings	332	514
Office equipment:		
At cost	2,243	2,243
Accumulated Depreciation	(1,433)	(984)
Total office equipment	810	1,259
Total Property, Plant and Equipment	1,142	1,773

(a) MOVEMENTS IN CARRYING AMOUNTS

Movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Furniture & Fittings	Office Equipment	Total
Balance at beginning of year	514	1,259	1,773
Additions	-	-	-
Disposals	-	-	-
Depreciation expense	(182)	(449)	(631)
Carrying amount at end of year	332	810	1,142

NOTE 7 – TRADE AND OTHER PAYABLES

CURRENT

Unsecured liabilities:		
Trade payables and accrued expenses	19,163	16,250
GST Collected	4,546	1,614
Employee benefits	51,700	39,469
	75,409	57,333

**(a) Financial Liabilities at amortisation cost
Classified as trade and other payables**

Trade and other payables	75,409	57,333
Less employee leave entitlements	(51,700)	(39,469)
Financial liabilities as trade and other payables	23,709	17,864

NOTE 8 – PROVISIONS

Non-current employee benefits	15,577	14,147
	15,577	14,147

Provision for Long-term Employee Benefits

A provision has been recognised for employee benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits has been included in Note 1(e).

All leave entitlements relate to non-officeholders of the Council.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
	\$	\$
NOTE 9 – CASH FLOW INFORMATION		
(a) Reconciliation of Cash and Cash Equivalents		
For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand, at banks and on deposit or any other cash held that can be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash at bank	6,565	60,228
Short-term bank deposits	413,518	392,332
	<u>420,083</u>	<u>452,560</u>
(b) Reconciliation of cash flow from operations with profit after income tax		
Profit/(Loss)	<u>(51,337)</u>	<u>7,847</u>
Non cash flows included in profit		
- Depreciation and amortisation	631	630
	<u>631</u>	<u>630</u>
Changes in assets and liabilities		
- (Increase)/ decrease in trade debtors and other receivables	(1,444)	-
- (Increase)/ decrease in prepayments	167	-
- Increase/ (decrease) in trade payables and accruals	18,075	2,708
- Increase/ (decrease) in provisions	1,430	9,218
	<u>18,228</u>	<u>11,926</u>
Net Cash provided by Operating Activities	<u>(32,478)</u>	<u>20,403</u>

(c) Credit standby arrangements and Loan facilities

The Council has a credit card facility amounting to \$10,000 (2011: \$10,000). This may be terminated at any time at the option of the bank. The balance of this facility is cleared monthly and interest rates are variable.

(d) Non-Cash Transactions

There have been no non-cash financing or investing activities during the year (2011: Nil).

NOTE 10 – CONTINGENT LIABILITIES

The Committee of Management is not aware of any contingent liabilities that are likely to have a material effect on the results of the Council.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
	\$	\$

NOTE 11 – RELATED PARTY TRANSACTIONS

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

Transactions with related parties:

(a) The Council receives capitation fees from various State Branches:

- Queensland	109,972	108,491
- Newcastle	41,677	44,010
- Victoria	26,125	51,013
- New South Wales	54,908	53,372
- South Australia	32,332	32,081
- Tasmania	10,879	4,050
	<u>275,893</u>	<u>293,017</u>

As at 30 June 2012, no amounts owing were outstanding from any related parties (2011: Nil).

NOTE 12 – KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel comprise those individuals who have the authority and responsibility for planning, directing and controlling the activities of the Council. During the year, the key management personnel of the Council were remunerated as follows:

	Short-Term Benefits	Post-Employment Benefits	Total
2012			
Total compensation	96,972	13,978	110,950
2011			
Total compensation	101,275	8,035	109,310

NOTE 13 – AUDITORS' REMUNERATION

Remuneration of the auditor of the Council for:

(a) auditing or reviewing the financial statements	<u>9,500</u>	<u>8,520</u>
	<u>9,500</u>	<u>8,520</u>

NOTE 14 – EVENTS AFTER THE REPORTING DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Council, the results of those operations, or the state of affairs of the Council in future financial years.

NOTE 15 – OPERATING SEGMENTS

The Council operates solely in one operating segment being the provision of trade union services.

The Council operates from one geographical segment being Australia.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 16 – FINANCIAL RISK MANAGEMENT

The Council's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and accounts payable.

The totals for each category of financial instruments, measured in accordance with AASB139 as detailed in the accounting policies to these financial statements, are as follows:

	Notes	2012 \$	2011 \$
Financial assets			
Cash and cash equivalents	4	<u>420,083</u>	<u>452,560</u>
		<u>420,083</u>	<u>452,560</u>
Financial liabilities			
Trade and other payables	6	<u>23,709</u>	<u>17,864</u>
		<u>23,709</u>	<u>17,864</u>

(a) Financial Risk Management Policies

The Committee of Management monitors the Council's financial risk management policies and exposures and approves financial transactions entered into. It also reviews the effectiveness of internal controls relating to commodity price risk, counterparty credit risk, currency risk, financing risk and interest rate risk. The Committee of Management meets quarterly to review the financial exposure of the Council.

The Council's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and accounts payable.

The main purpose of non-derivative financial instruments is to raise finance for the Council's operations. The Council does not have any derivative instruments at 30 June 2012.

(i) Specific financial risk exposures and management

The main risks the Council is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Council is also exposed to earnings volatility on floating rate instruments.

The financial instruments which expose the company to interest rate risk are limited to cash and cash equivalents.

The Council had no debt as at 30 June 2012.

Foreign currency risk

The Council is not exposed to fluctuations in foreign currencies.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 16 – FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial Risk Management Policies (Continued)

(i) Specific financial risk exposures and management (Continued)

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

There are no material amounts of collateral held as security at 30 June 2012.

Credit risk is managed and reviewed regularly by the Committee of Management. It arises from exposures to members as well as through certain derivative financial instruments and deposits with financial institutions.

The Committee of Management monitors credit risk by actively assessing the rating quality and liquidity of counter parties:

- Only banks and financial institutions with a strong rating are utilised;
- All potential members are rated for credit worthiness taking into account their size, market position and financial standing; and
- Members that do not meet the Council's credit policies may only make payments in cash or using recognised credit cards.

The Council does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Council.

Members are assessed for credit worthiness using the criteria detailed above.

Price Risk

The Council is not exposed to any material commodity price risk.

Liquidity risk

Liquidity risk arises from the possibility that the Council might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Council manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timings of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will be rolled forward.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2012**

NOTE 16 – FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial Risk Management Policies (Continued)

(i) Specific financial risk exposures and management (Continued)

Financial Instrument Composition and Maturity Analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
	\$	\$	\$			\$	\$	
Financial liabilities due for payment								
Trade payables	(4,565)	-	-	-	-	-	(4,565)	-
Other current liabilities	(19,144)	(17,864)	-	-	-	-	(19,144)	(17,864)
Total expected outflows	<u>(23,709)</u>	<u>(17,864)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,709)</u>	<u>(17,864)</u>
Financial assets – cash flow receivable								
Cash and cash equivalents	420,082	452,560	-	-	-	-	420,082	452,560
Interest Receivable	1,444	-	-	-	-	-	1,444	-
Total anticipated inflows	<u>421,526</u>	<u>452,560</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>421,526</u>	<u>452,560</u>
Net (outflow) / inflow on financial instruments	<u>397,817</u>	<u>434,696</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>397,817</u>	<u>434,696</u>

(b) Net Fair Values

The Council's financial assets and liabilities included in the statement of financial position are carried at amounts that approximate net fair value. There are no material variations between fair value and carrying value in the Council's financial instruments.

(c) Sensitivity Analysis

Interest Rate Risk

The Council has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk.

Interest Rate Sensitivity Analysis:

At 30 June 2012, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

	2012	2011
	\$	\$
Change in profit		
- Increase in interest rate by 2%	8,402	4,523
- Decrease in interest rate by 2%	(8,271)	(4,523)
Change in Members Equity		
- Increase in interest rate by 2%	8,402	4,523
- Decrease in interest rate by 2%	(8,271)	(4,523)

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remained unchanged.

No sensitivity analysis has been performed on foreign exchange risk, as the Council is not exposed to foreign currency fluctuations.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 17: CAPITAL MANAGEMENT

The Committee of Management controls the capital of the Council to ensure that adequate cash flows are generated to fund its operations and continue as a going concern.

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

The Council's debt consists of financial liabilities, supported by financial assets.

The Committee of Management effectively manages the Council's capital by assessing the Council's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

There have been no changes to the strategy adopted by the Committee of Management to control the capital since the previous year.

The gearing ratios for the year ended 30 June 2012 and 30 June 2011 are as follows:

	2012	2011
	\$	\$
Total borrowings	-	-
Trade and other payables	23,709	17,864
Other current liabilities	51,700	39,469
Less:		
Cash and cash equivalents	(420,083)	(452,560)
Financial assets	(1,444)	-
Net debt	<u>(346,118)</u>	<u>(395,227)</u>
Total equity	332,526	383,863
Total capital	678,644	779,090
Gearing ratio	N/A	N/A

NOTE 18 – COUNCIL DETAILS

The principal place of business of the Council is:

Level 1
 46 Greenhill Road
 WAYVILLE SA 5034

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 19 – INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the following provision of subsections (1), (2), and (3) of Section 272, which reads as follows:

- (1) A member of a reporting unit, or a Register, 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).

The purposes of which the Union are established are:

- (a) To uphold the rights of organisation of labour and to improve, protect and foster the best interests of its members, and to subscribe and / or co-operate with a policy of improving the cultural and living standards of its members.
- (b) To protect the interests of workers in the regulation of conditions of labour, with the ultimate view of securing to the workers the full value of their labour by the socialization of industry, production, distribution and exchange.
- (c) To promote industrial peace by amicable means and to make arrangements to settle industrial disputes.
- (d) To assist, by just and equitable methods, in the settlement of any differences which may arise between the members and their employers.
- (e) To negotiate agreements with the employers of members through collective bargaining and lawful collective industrial action.
- (f) To establish a fund for the purpose of advancing the best interests of its members.
- (g) To provide legal and other assistance to financial members whenever and wherever considered necessary.
- (h) To raise funds by levy for the attainment of the objects of the Union as set out herein.
- (i) To establish branches in the Commonwealth.
- (j) To affiliate, to federate with, or otherwise combine with any Trade or Industrial Union or Association of Trade Unions or any other organisations having objects in whole or in part similar with other Unions.
- (k) To establish funeral and other benefits.
- (l) To assist any establishment and maintenance of Labour and Trade union Newspapers and other television, radio, internet and other media organisations and to invest in shares in such Newspapers and Broadcasting and Television Stations.
- (m) To pay affiliation fees to assist financially or otherwise any bona fide Labour or Trade Union organisation or association.
- (n) To establish and manage a Union Journal.
- (o) To purchase, take on lease or in exchange, hire and otherwise acquire any real property and in particular any land, buildings or easements for any purpose connected with the conduct of the Union and its Branches.
- (p) To borrow or raise or secure the payment of money in such manner as the Union or a Branch may see fit, to secure the same, or the re-payment or performance of any debt, liability, contract, guarantee or other engagement incurred, or to be entered into by the Union or a Branch in any way, and to redeem or pay off such securities.
- (q) Sell, improve, manage, develop, exchange, leave, dispose of, turn to account, or otherwise deal with all or any part of the property and rights of the Union or Branch.
- (r) To establish, operate and maintain services for health.
- (s) To enter into contracts and agreements and to borrow for the purpose of furthering directly or indirectly any one or more of these objects.
- (t) To obtain such other objects as the Federal Council may from time to time determine.

**INDEPENDENT AUDITORS REPORT
TO THE MEMBERS OF
AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – FEDERAL COUNCIL**

Report on the Financial Statements

We have audited the accompanying financial report of the Australasian Meat Industry Employees Union – Federal Council ("Council"), which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Committee of Management's operating report and statement.

Committee's Responsibility for the Financial Report

The Committee of Management is 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* ("Act"), and for such internal control as the Committee of Management determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the Committee Members also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements. We confirm that the independence declaration provided to the Committee of Management would be in the same terms if provided to the Committee of Management as at the date of this auditor's report.

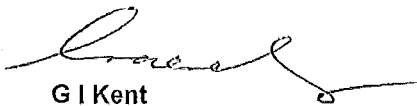
Auditor's Opinion

In our opinion:

- (1) the financial report of the Australasian Meat Industry Employees Union – Federal Council is in accordance with:
 - (a) the *Fair Work (Registered Organisations) Act 2009*, including:
 - (i) giving a true and fair view of the Council's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards; and
 - (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.
- (2) the Council has kept satisfactory accounting records for the financial year including records of:
 - (i) the sources and nature of the Council's income, including membership subscriptions and other income from members; and
 - (ii) the nature of and reasons for the Council's expenditure.
- (3) All the information and explanations that officers or employees of the Council were required to provide have been provided; and
- (4) There was no deficiency, failure or shortcoming in any matters referred to in (1) to (3) above.

M.G.I

MGI Assurance (South Qld) Pty Ltd



G I Kent
Director

Brisbane

10 December 2012



FAIR WORK
AUSTRALIA

16 July 2012

Mr Graham Smith
Federal Secretary
AMIEU
Level 1, 46 Greenhill Road
WAYVILLE SA 5034

Dear Mr Smith

Lodgement of Financial Documents for year ended 30 June 2012 - Fair Work (Registered Organisations) Act 2009 ("the FW(RO) Act") - The Australasian Meat Industry Employees' Union (FR2012/391)

The financial year of The Australasian Meat Industry Employees' Union (the "reporting unit") has recently ended. This is a courtesy letter to remind you of the obligation to prepare and process the reporting unit's financial documents. The full financial report must be lodged with Fair Work Australia within the prescribed time period of 6 months and 14 days of the end of the financial year.

The FW(RO) Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. The attached *Timeline/Planner* summarises these requirements.

In addition, financial reporting fact sheets and sample documents can be found on the Fair Work Australia website. The information can be viewed at [FWA Registered Organisations Fact Sheets](#). This site also contains the General Manager's Reporting Guidelines which set out mandatory financial disclosures.

I draw your particular attention to section 237 of the FW(RO) Act which provides that where the reporting unit makes individual loans, grants or donations exceeding \$1,000, a separate statement containing prescribed particulars must be lodged within 90 days of the end of the financial year, i.e. by 30 September.

If you need any further information or if you believe you will be unable to lodge the full financial report within the period mentioned above please contact me on (02) 67 [REDACTED] [REDACTED] 7 or by email at stephen.kellett@fwa.gov.au

Yours sincerely,

Stephen Kellett
Organisations, Research & Advice
Fair Work Australia

TIMELINE/ PLANNER

Financial reporting period ending:	30/ 06 /2012
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1. Prepare financial statements and Operating Report.

1(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.	/ /
1(b) A #designated officer must sign the Committee of Management Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).	/ /

As soon as practicable after end of financial year

This step must be completed and the Statement signed at a first meeting

2. Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /
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*Within a reasonable time of having received the GPFR
(NB: Auditor's report must be dated on or after date of Committee of Management Statement*

3. Provide full report free of charge to members – s265 The full report must include: <ul style="list-style-type: none"> • the General Purpose Financial Report (which includes the Committee of Management Statement); • the Auditor's Report; and • the Operating Report. 	/ /
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*(a) if the report is to be presented to a General Meeting the report must be provided to members 21 days before the General Meeting,

or
(b) if the report is presented to a Committee of Management meeting*, the report must be provided to members within 5 months of end of financial year.*

4. Present full report to second meeting: (a) General Meeting of Members - s266 (1),(2); OR (b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ / / /
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Presentation occurs at a 'second' Meeting

A second meeting which is a General Meeting must take place within 6 months of end of financial year

A second meeting which is a meeting of the Committee must take place within 6 months of end of financial year

5. Lodge full report with Fair Work Australia, together with the #Designated Officer's certificate** – s268	/ /
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Within 14 days of presentation at second meeting

* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.