



FAIR WORK  
COMMISSION

14 June 2014

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 2013 (FR2013/300)**

I refer to the financial statements and accounts of the Federal Council ('the reporting unit') of the Australasian Meat Industry Employees' Union which were lodged with the Fair Work Commission ('FWC') on 20 November 2013. An amended Operating report and advice in relation to the provision of the full report to the members were received on 13 June 2014.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2014 may be subject to an advanced compliance review which will examine all disclosure requirements.

I make the following comments to assist you when you next prepare a financial report. The Fair Work Commission will confirm these matters have been addressed prior to filing next year's report.

Auditor's report: declaration regarding going concern

Item 45 of the reporting guidelines<sup>1</sup> that applied to the financial year ending 30 June 2013 required an auditor to include in his auditor's statement a declaration that as part of the audit of the financial statement they have concluded that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate. This declaration was not included in the auditor's statement.

Disclosure of employee provisions/benefits to office holders and other employees

Items 21(c) and 21(d)<sup>2</sup> of the Reporting Guidelines require either the statement of financial position or the notes to disclose any liability for employee benefits in respect of office holders and other employees by separate various prescribed categories, annual leave, long service leave, separation/redundancies, and 'other employee provisions'. Note 8 discloses balances for these

---

<sup>1</sup> 3rd edition; this requirement is now at item 39 of the 4th edition, applying to the year ending 30 June 2014 onwards

<sup>2</sup> 3rd edition; this requirement is now at items 20(c) and 20(d) of the 4th edition

liabilities by office holders and other employees but not by the prescribed categories. In future years please ensure that provisions for office holders and other employees are disclosed separately by the prescribed categories.

#### Activities under Reporting Guidelines not disclosed

Item(s) 14, 16, 18, 20, 22, 24, 26 and 33<sup>3</sup> of the Reporting Guidelines state that if any of the activities identified in the respective preceding items have not occurred in the reporting period, a statement to this effect must be included in the notes to the GPFR or nil balances provided. For example, if there were no provisions made for any of the prescribed employee benefits categories mentioned above, or no membership subscriptions received<sup>4</sup> or capitation expense to another reporting unit made<sup>5</sup>, such disclosure should have been included.

#### General purpose financial report to be prepared on accrual basis

The notes to the financial statements state that *“revenue from member contributions is recognised on a cash basis as permitted by the Fair Work (Registered Organisations) Act 2009”*. I note that no member contributions have been disclosed as a revenue item. However this is an incorrect interpretation of the RO Act, which does not permit reporting of member subscriptions on a cash basis. Section 252 of the RO Act places obligations upon reporting units to *keep* financial records. Under sub-section 252(4) an organisation may *keep* the financial records for its membership subscriptions on a cash basis.

This is distinct from the obligation under section 253 to *prepare* a general purpose financial report (GPFR). Section 253 requires that ‘...a reporting unit must cause a general purpose financial report to be *prepared*, in accordance with the Australian Accounting Standards, from the financial records kept under subsection 252(1) in relation to the financial year...’. Paragraph 27 of Australian Accounting Standard *AASB101 Presentation of Financial Statements*, states that ‘an entity shall prepare its financial statements, except for cash flow information, using the accrual basis of accounting’.

If the reporting unit receives member subscriptions as a revenue item, it must bring them to account on an accruals basis in accordance with the Australian Accounting Standards and state this. This will result in a change of accounting policy that will need to be disclosed in accordance with AASB 108 (Accounting Policies, Changes in Accounting Estimates and Errors). You may need to discuss this with your auditor. If it does not receive member subscriptions as a revenue item, it must disclose that it did not, as explained above.

I attach a copy of the new Reporting Guidelines that apply to the year ending 30 June 2014. 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 (02) [REDACTED] or by email at [stephen.kellett@fwc.gov.au](mailto:stephen.kellett@fwc.gov.au)

Yours sincerely



Stephen Kellett  
Senior Adviser, Regulatory Compliance Branch

---

<sup>3</sup> 3rd edition; now at items 13, 15, 17, 19, 21, 23, 25 of the 4th edition

<sup>4</sup> See item 14(a) of the 4th edition;

<sup>5</sup> See item 16(b) of the 4th edition

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

**COMMITTEE OF MANAGEMENT'S OPERATING REPORT  
FOR THE YEAR ENDED 30 JUNE 2013**

**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 2013.

**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 \$37,557 (2012: \$51,337 loss).

**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 2013: 17,526 (2012: 17,526).

**Employees of the Council**

Number of full time equivalent employees as at 30 June 2013: 2 (2012: 2).



FAIR WORK  
COMMISSION

14 April 2014

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 2013 (FR2013/300)**

I refer to the above financial statements and accounts which were lodged with the Fair Work Commission ('FWC') on 20 November 2013. I draw your attention to the following, for action:

**Provision of documents to members**

The Designated Officer's certificate certified that the full report was provided to the members on 9 September 2013. I note however that the auditor did not sign his report until 17 September 2013. On the face this means that the full report (which includes the signed auditor's report<sup>1</sup>) could not have been provided to the members on 9 September. Provision of the full report is only possible when the auditor has completed and signed his report.<sup>2</sup>

I would ask you to confirm what documentation has been provided to the members and when this occurred. If the full report including the signed auditor's report was provided to members on or after 17 September, please lodge an amended Designated Officer Certificate certifying the correct date this occurred, as soon as practicable.

If the documents that have been provided to the members do not include the signed auditor's report, the reporting unit has failed to comply with section 265(1) of the *Fair Work (Registered Organisations) Act 2009*. Please make the full report available to the members and lodge an amended Designated Officer Certificate certifying the date this occurs.

**Non compliance with previous request**

While I filed last year's financial report, I raised an issue for the reporting unit to address in the preparation of its future Operating reports. That issue concerned the reporting of the number of employees as measured on a "full-time equivalent" basis, as prescribed by regulation 159(b).<sup>3</sup> I note however that, in simply reporting the number "2", the 2013 operating report did not yet comply.

---

<sup>1</sup> See sub-section 265(1) which defines the full report as "*consisting of (i) a copy of the report of the auditor....etc*"

<sup>2</sup> It would be generally presumed that the auditor's report was not signed on or before 9 September because s257(9) provides that "*the auditor's report must be dated as at the date the auditor signs the report*"

<sup>3</sup> In prescribing "*the number of persons who were.....employees of the reporting unit, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis*", regulation 159(b) effectively requires any number that is reported to be expressed as the full-time equivalent unless made clear, where it applies, by a statement that the number comprises only full-time employees.

The Fair Work Commission aims to assist reporting units in complying with their obligations under the RO Act and Reporting Guidelines, by providing advice about errors or shortcomings identified in financial reports. The financial report will be filed when the above mentioned issue has been addressed.

I request you therefore to lodge with FWC an amended Operating Report that indicates the number of employees as measured on a full-time equivalent basis.

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 (02) [REDACTED] or by email at [stephen.kellett@fwc.gov.au](mailto:stephen.kellett@fwc.gov.au)

Yours sincerely

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Stephen Kellett  
Senior Adviser, Regulatory Compliance Branch

# 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/>

20 November 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 2012/2013 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 2013 (including the committee of management certificate, signed by Mr Graham Smith, the AMIEU Federal Secretary)
- (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 direct them to either myself, on the number listed above, or our national industrial officer, Craig Buckley, who can be contacted on (07) 3217 3766.

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 9 September 2013; and
- (c) that the full report was presented to the committee of management of the reporting unit on 15 November 2013; in accordance with section 266(3) of the *Fair Work (Registered Organisations) Act*.

Dated at Adelaide this 19<sup>th</sup> day of November 2013.

Signature:

A handwritten signature in black ink, appearing to read 'G Smith', with a large, sweeping flourish extending to the right.

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 2013**



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

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

**CONTENTS**

	<b>Page No</b>
Committee of Management's Operating Report .....	1
Committee of Management Statement.....	3
Auditor's Independence Declaration .....	4
Statement of Comprehensive Income .....	5
Statement of Financial Position .....	6
Statement of Changes in Equity .....	7
Statement of Cash Flows .....	8
Notes to the Financial Statements.....	9
Independent Audit Report.....	25

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

**COMMITTEE OF MANAGEMENT'S OPERATING REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2013**

**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 2013.

**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 \$37,557 (2012: \$51,337 loss).

**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 2013: 17,526 (2012: 17,526).

**Employees of the Council**

Number of employees as at 30 June 2013: 2 (2012: 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 2013**

**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:

<b>Name</b>	<b>Period of appointment</b>
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
Baker, Troy	Whole Period
Conway, Paul	Whole Period
Sharra Anderson	Appointed 1 January 2013

**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 2013 and 30 June 2012.

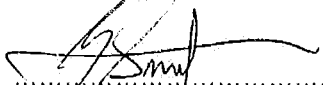
**Other Information**

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

5 September 2013

Brisbane

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


**COMMITTEE OF MANAGEMENT STATEMENT**

On 5 September 2013, 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 2013.

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

5 September 2013

Brisbane

**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 2013, I declare that, to the best of my knowledge and belief, there have been:

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

**MGI Assurance (South Qld) Pty Ltd**



**G I Kent**  
Director

Brisbane

5 September 2013

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

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2013**

	Notes	2013 \$	2012 \$
Revenue	2	306,474	322,355
Affiliation expenses		(60,862)	(69,698)
Employee benefit expense	3(a)	(187,175)	(125,152)
Meatworker publication and postage		-	(19,853)
Other expenses	3	<u>(95,994)</u>	<u>(158,989)</u>
Profit/(loss) before income tax expense		(37,557)	(51,337)
Income tax expense	1(a)	<u>-</u>	<u>-</u>
<b>Profit/(loss) attributable to members of the Council</b>		<b><u>(37,557)</u></b>	<b><u>(51,337)</u></b>
 <b>Other Comprehensive Income</b>			
Other comprehensive income (net of income tax)		<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the year		<u>(37,557)</u>	<u>(51,337)</u>
 Profit/(loss) attributable to:			
Members of the Council		<u>(37,557)</u>	<u>(51,337)</u>
 Total comprehensive income/(loss) attributable to:			
Members of the Council		<u>(37,557)</u>	<u>(51,337)</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 2013**

	Notes	2013 \$	2012 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	434,102	420,083
Trade debtors and other receivables	5	3,630	1,444
Prepayments		856	843
<b>TOTAL CURRENT ASSETS</b>		<u>438,588</u>	<u>422,370</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	27,450	1,142
<b>TOTAL NON-CURRENT ASSETS</b>		<u>27,450</u>	<u>1,142</u>
<b>TOTAL ASSETS</b>		<u><b>466,038</b></u>	<u><b>423,512</b></u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	26,148	23,709
Employee benefits	8	144,921	51,700
<b>TOTAL CURRENT LIABILITIES</b>		<u>171,069</u>	<u>75,409</u>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	8	-	15,577
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>-</u>	<u>15,577</u>
<b>TOTAL LIABILITIES</b>		<u><b>171,069</b></u>	<u><b>90,986</b></u>
<b>NET ASSETS</b>		<u><b>294,969</b></u>	<u><b>332,526</b></u>
<b>MEMBERS EQUITY</b>			
Retained earnings		<u><b>294,969</b></u>	<u><b>332,526</b></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 2013**

	<b>Retained earnings</b>	<b>Total</b>
	\$	\$
<b>Balance at 1 July 2011</b>	383,863	383,863
<b>Comprehensive income</b>		
Loss attributable to members of the Union	(51,337)	(51,337)
Total Other comprehensive income for the year	-	-
<b>Balance at 30 June 2012</b>	<u><b>332,526</b></u>	<u><b>332,526</b></u>
<b>Balance at 1 July 2012</b>	332,526	332,526
<b>Comprehensive income</b>		
Loss attributable to members of the Union	(37,557)	(37,557)
Total Other comprehensive income for the year	-	-
<b>Balance at 30 June 2013</b>	<u><b>294,969</b></u>	<u><b>294,969</b></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 2013**

	Notes	2013 \$	2012 \$
<b>Cash Flows from Operating Activities</b>			
Receipts from members		343,678	299,721
Payments to suppliers and employees		(316,039)	(353,388)
Interest received		16,635	21,190
Net cash provided by operating activities	9(b)	<b>44,274</b>	<b>(32,477)</b>
<b>Cash Flows from Investing Activities</b>			
Payments for plant and equipment		(30,255)	-
Net cash provided by investing activities		<b>(30,255)</b>	-
<b>Cash Flows Financing Activities</b>			
		-	-
Net decrease in cash held		<b>14,019</b>	<b>(32,477)</b>
Cash at beginning of financial year		420,083	452,560
Cash at end of financial year	9(a)	<b>434,102</b>	<b>420,083</b>

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 2013**

**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, except for cash flow information, 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 5 September 2013 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2013

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2013

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").

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2013

**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).*

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2013**

**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.

These Standards were mandatorily applicable for annual reporting periods commencing on or after 1 January 2013. However, AASB 2012–6: Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures (issued September 2012) defers the mandatory application date of AASB 9 from 1 January 2013 to 1 January 2015. In light of this change to the mandatory effective date, the Union is expected to adopt AASB 9 and AASB 2010–7 for the annual reporting period ending 31 December 2015. The committee members anticipate that the adoption of AASB 9 and AASB 2010–7 will not have any material impact on the financial statements of the Union.

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.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2013**

**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Fair Work Australia have provided guidance on the matter and indicated that all reporting units are Tier 1 reporting entities. Therefore the adoption of this standard will have no impact on the financial statements of the Union

- 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.

The Union does not have any entities that require consolidation (either under the current AAS 127, or under the new AASB 10). Therefore the adoption of this new standard will not have any impact on the financial statements of the Union

- 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.

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) to be measured at fair value.

These Standards are expected to result in more detailed fair value disclosures, but are not expected to significantly impact the amounts recognised in the Union's financial statements.

- 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.

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2013**

**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(l) New Accounting Standards for Application in Future Periods (Continued)**

- AASB 2012–2: Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 2012–2 principally amends AASB 7: Financial Instruments: Disclosures to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

This Standard is not expected to significantly impact the Union's financial statements.

- AASB 2012–3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard adds application guidance to AASB 132: Financial Instruments: Presentation to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

This Standard is not expected to significantly impact the Union's financial statements.

- AASB 2012–5: Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle (applicable for annual reporting periods commencing on or after 1 January 2013).

This Standard amends a number of Australian Accounting Standards as a consequence of the issuance of Annual Improvements to IFRSs 2009–2011 Cycle by the International Accounting Standards Board, including:

- AASB 1: First-time Adoption of Australian Accounting Standards to clarify the requirements in respect of the application of AASB 1 when an entity discontinues and then resumes applying Australian Accounting Standards;
- AASB 101: Presentation of Financial Statements and AASB 134: Interim Financial Reporting to clarify the requirements for presenting comparative information;
- AASB 116: Property, Plant and Equipment to clarify the accounting treatment of spare parts, stand-by equipment and servicing equipment;
- AASB 132 and Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments to clarify the accounting treatment of any tax effect of a distribution to holders of equity instruments; and
- AASB 134 to facilitate consistency between the measures of total assets and liabilities an entity reports for its segments in its interim and annual financial statements.

This Standard is not expected to significantly impact the Union's financial statements



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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2013**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 2 – REVENUE</b>		
<b>Operating Activities</b>		
- Capitation Fees	280,245	275,893
<b>Non-Operating activities</b>		
- Interest revenue	16,391	22,634
- Other revenue	9,838	23,828
<b>TOTAL REVENUE</b>	<b><u>306,474</u></b>	<b><u>322,355</u></b>

**NOTE 3 – PROFIT BEFORE INCOME TAX**

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

<b>Expenses</b>		
- Airfares & travel	28,040	32,745
- Audit & accountancy	9,970	12,258
- Depreciation	3,946	631
- Internet and web page	11,256	45
- Legal expenses	909	60,042
- Other ordinary activities	41,873	53,268
	<b><u>95,994</u></b>	<b><u>158,989</u></b>

**(a) Employee Benefits Expense**

*Officeholders*

Salaries and Wages	47,700	6,923
Annual Leave	3,184	-
Long Service Leave	1,035	-
Personal Leave	1,614	-
Superannuation	9,398	5,873
<b>Total Officeholders</b>	<b><u>62,931</u></b>	<b><u>12,796</u></b>

*Non-Officeholders*

Salaries and Wages	93,340	90,590
Annual Leave	11,923	7,762
Long Service Leave	2,210	1,430
Personal Leave	4,492	4,469
Superannuation	9,334	8,105
<b>Total Non-Officeholders</b>	<b><u>121,299</u></b>	<b><u>112,356</u></b>

**NOTE 4 – CASH AND CASH EQUIVALENTS**

Cash at Bank	3,954	6,565
Short term bank deposits	430,148	413,518
	<b><u>434,102</u></b>	<b><u>420,083</u></b>

The effective interest rate on short-term bank deposits is 3.35% (2012: 4.25%); these deposits are held at call.

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2013**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 5 – TRADE AND OTHER RECEIVABLES</b>		
<b>CURRENT</b>		
Other receivables:		
Accrued interest	1,200	1,444
GST receivable	2,430	-
	<b>3,630</b>	<b>1,444</b>
<b>NOTE 6 – PROPERTY, PLANT AND EQUIPMENT</b>		
<i>Plant and Equipment</i>		
Furniture and fittings:		
At cost	908	908
Accumulated Depreciation	(758)	(576)
Total furniture and fittings	<b>150</b>	<b>332</b>
Office equipment:		
At cost	2,243	2,243
Accumulated Depreciation	(1,881)	(1,433)
Total office equipment	<b>362</b>	<b>810</b>
Motor Vehicles:		
At cost	30,254	-
Accumulated Depreciation	(3,316)	-
Total motor vehicles	<b>26,938</b>	-
<b>Total Property, Plant and Equipment</b>	<b>27,450</b>	<b>1,142</b>

**(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.

	<b>Motor Vehicle</b>	<b>Furniture &amp; Fittings</b>	<b>Office Equipment</b>	<b>Total</b>
Balance at 1 July 2011	-	514	1,259	1,773
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation expense	-	(182)	(449)	(631)
Carrying amount at 30 June 2012	-	332	810	1,142
Additions	30,254	-	-	30,254
Disposals	-	-	-	-
Depreciation expense	(3,316)	(182)	(448)	(3,946)
Carrying amount at 30 June 2013	<b>26,438</b>	<b>150</b>	<b>362</b>	<b>27,450</b>

**NOTE 7 – TRADE AND OTHER PAYABLES**

**CURRENT**

Unsecured liabilities:	
Trade payables and accrued expenses	26,148
GST Collected	-
	<b>26,148</b>
	<b>23,709</b>

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

Trade and other payables	26,148
Financial liabilities as trade and other payables	-
	<b>26,148</b>
	<b>23,709</b>

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2013**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 8 – PROVISIONS</b>		
Current employee benefits		
Office holders	77,841	-
Non-office holders	67,080	51,700
	<u>144,921</u>	<u>51,700</u>
Non-current employee benefits		
Office holders	-	-
Non-office holders	-	15,577
	<u>144,921</u>	<u>67,277</u>

**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).

**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	3,954	6,565
Short-term bank deposits	430,148	413,518
	<u>434,102</u>	<u>420,083</u>

**(b) Reconciliation of cash flow from operations with profit after income tax**

Profit/(Loss)	<u>(37,557)</u>	<u>(51,337)</u>
Non cash flows included in profit		
- Depreciation and amortisation	3,946	631
	<u>3,946</u>	<u>631</u>
Changes in assets and liabilities		
- (Increase)/ decrease in trade debtors and other receivables	244	(1,444)
- (Increase)/ decrease in prepayments	(11)	167
- Increase/ (decrease) in trade payables and accruals	9	18,075
- Increase/ (decrease) in provisions	77,643	1,430
	<u>44,274</u>	<u>18,228</u>
Net Cash provided by Operating Activities	<u>44,274</u>	<u>(32,478)</u>

**(a) Credit standby arrangements and Loan facilities**

The Council has a credit card facility amounting to \$10,000 (2012: \$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.

**(b) Non-Cash Transactions**

There have been no non-cash financing or investing activities during the year (2012: Nil).

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2013**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>

**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.

**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	124,025	109,972
- Newcastle	47,925	41,677
- Victoria	-	26,125
- New South Wales	63,754	54,908
- South Australia	36,711	32,332
- Tasmania	7,830	10,879
	<u>280,245</u>	<u>275,893</u>

As at 30 June 2013, no amounts owing were outstanding from any related parties (2012: 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:

	<b>Short-Term Benefits</b>	<b>Post-Employment Benefits</b>	<b>Total</b>
<b>2013</b>			
Total compensation	141,040	18,732	159,772
<b>2012</b>			
Total compensation	96,972	13,978	110,950

**NOTE 13 – AUDITORS' REMUNERATION**

Remuneration of the auditor of the Council for:

(a) auditing or reviewing the financial statements	9,900	9,500
	<u>9,900</u>	<u>9,500</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.

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2013**

**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	2013 \$	2012 \$
<b>Financial assets</b>			
Cash and cash equivalents	4	434,102	420,083
		<b>434,102</b>	<b>420,083</b>
<b>Financial liabilities</b>			
Trade and other payables	7	26,148	23,709
		<b>26,148</b>	<b>23,709</b>

**(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 2013.

**(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 2013.

*Foreign currency risk*

The Council is not exposed to fluctuations in foreign currencies.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2013

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 2013.

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 2013**

**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	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>								
Trade payables	(1,606)	(4,565)	-	-	-	-	(1,606)	(4,565)
Other current liabilities	(24,542)	(19,144)	-	-	-	-	(24,542)	(19,144)
Total expected outflows	(26,148)	(23,709)	-	-	-	-	(26,148)	(23,709)
<b>Financial assets – cash flow receivable</b>								
Cash and cash equivalents	434,102	420,082	-	-	-	-	434,102	420,082
Other current assets	2,430	-	-	-	-	-	2,430	-
Interest Receivable	1,200	1,444	-	-	-	-	1,200	1,444
Total anticipated inflows	437,732	421,526	-	-	-	-	437,732	421,526
Net (outflow) / inflow on financial instruments	411,584	397,817	-	-	-	-	411,584	397,817

**(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 2013, 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:

	<b>2013</b>	<b>2012</b>
	\$	\$
Change in profit		
- Increase in interest rate by 2%	8,681	8,402
- Decrease in interest rate by 2%	(8,602)	(8,271)
Change in Members Equity		
- Increase in interest rate by 2%	8,681	8,402
- Decrease in interest rate by 2%	(8,271)	(8,271)

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.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2013**

**NOTE 17 – COUNCIL DETAILS**

The principal place of business of the Council is:

Level 1  
46 Greenhill Road  
WAYVILLE SA 5034

**NOTE 18 – 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 is 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.



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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2013**

**NOTE 18 – INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR (Continued)**

- (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 2013, 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 2013 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  
Chartered Accountant and holder of a Certificate of Public Practice

Brisbane

17 September 2013