



4 February 2015

Mr Graham Smith
Federal Secretary
Australasian Meat Industry Employees' Union, Federal Council
227 Henley Beach Road
Torrensville SA 5031

via e-mail: grahamsmith@internode.on.net

Dear Mr Smith

**Australasian Meat Industry Employees' Union, Federal Council
Financial Report for the year ended 30 June 2014 - FR2014/227**

I acknowledge receipt of the financial report for the year ended 30 June 2014 for the Australasian Meat Industry Employees' Union, Federal Council. The financial report was lodged with the Fair Work Commission (FWC) on 5 January 2015.

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

Whilst the 2013-14 report has been filed the following matters should be addressed in the preparation of the next financial report.

Basis of preparation policy

Note 1 states that the financial statements have been prepared in accordance with Australian Accounting Standards. In future this note should state that the financial statements have been prepared in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009*.

Receivables from other reporting units

Note 5 - Trade and other receivables refers to 'Receivables from other reporting units'. In future these receivables should disclose the name of the other reporting unit(s) and the amount attributable to each reporting unit in as required by Reporting Guideline 18(d) and (e).

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7675 or by email at ken.morgan@fwc.gov.au

Yours sincerely

A handwritten signature in black ink, appearing to read 'K. Morgan', with a stylized flourish at the end.

Ken Morgan
Financial Reporting Advisor
Regulatory Compliance Branch

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

ABN 12 206 758 691

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

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

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

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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 2014

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 2014.

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 deficit for the financial year amounted to \$128,859 (2013: \$37,557).

Significant Changes in Financial Affairs

A review of the operations of the Council during the financial year found that there was no significant change in the financial affairs of the Council's 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 the Council

Number of members as at 30 June 2014: 14,735 (2013: 17,526).

Employees of the Council

Number of full-time equivalent employees as at 30 June 2014: 2.0 (2013: 2.0).

**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 2014**

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
Baker, Troy	Whole Period
Conway, Paul	Whole Period
Sharra Anderson	Whole Period

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 2014 and 30 June 2013.

Other Information

There is no other information that the Council considers relevant.

**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 2014**

Membership of Superannuation Scheme

Those who hold 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 are as follows:

- Brian Crawford - Member and Committee of Management Member on behalf of the Council
- Director of the Trustee of the Meat Industry Employee's Superannuation Fund
- Paul Conway - Member and Committee of Management Member on behalf of the Council
- Director of the Trustee of the Meat Industry Employee's Superannuation Fund
- Charles Donzow - Member and Committee of Management Member on behalf of the Council
- Director of the Trustee of the Meat Industry Employee's Superannuation Fund

Auditor's Independence Declaration

A copy of the auditor's independence declaration is set out on page 5.

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

2 September 2014

Sydney

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

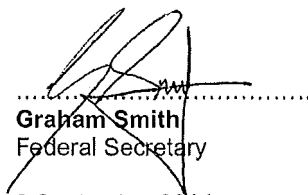
COMMITTEE OF MANAGEMENT STATEMENT

On 2 September 2014, the Committee of Management of the Council passed the following resolution to the General Purpose Financial statements (GPFR) of the Council for the year ended 30 June 2014.

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (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 GPFR relates and since the end of that year:
 - i. meetings of the Committee of Management were held in accordance with the rules of the organisation and 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 *RO Act*; 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. where information has been sought in any request of a member of the reporting unit or General Manager duly made under section 272 of the *RO Act*, that information has been provided to the member or General Manager; and
 - vi. there have been no orders for inspection of financial records made by the Fair Work Commission under section 273 of the *RO Act* during the year.
- (f) No revenue has been derived from undertaking recovery of wages activity during the reporting year.

For the Committee of Management (Federal Council).


.....
Graham Smith
Federal Secretary
2 September 2014

Sydney



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**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 2014, 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

M.G.I.

MGI Assurance (South Qld) Pty Ltd

G I Kent
Director

Brisbane

2 September 2014

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 \$	2013 \$
Revenue	2	391,816	340,306
Administration expenses	3 (e)	(48,091)	(50,221)
Affiliation expenses	3 (f)	(96,996)	(60,863)
Depreciation expense	3 (a)	(6,737)	(3,946)
Employee benefit expense	3(d)	(250,785)	(187,175)
Grants and donations	3 (b)	(204)	-
Legal costs	3 (c)	-	(909)
Meatworker publication and postage		(23,969)	-
Other expenses	3 (h)	<u>(93,893)</u>	<u>(74,749)</u>
Deficit before income tax expense		(128,859)	(37,557)
Income tax expense	1(a)	<u>-</u>	<u>-</u>
Deficit attributable to members of the Council		<u>(128,859)</u>	<u>(37,557)</u>
Other Comprehensive Income			
Other comprehensive income (net of income tax)		<u>-</u>	<u>-</u>
Total comprehensive deficit for the year		<u>(128,859)</u>	<u>(37,557)</u>
Deficit attributable to:			
Members of the Council		<u>(128,859)</u>	<u>(37,557)</u>
Total comprehensive deficit attributable to:			
Members of the Council		<u>(128,859)</u>	<u>(37,557)</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 2014

	Notes	2014 \$	2013 \$
CURRENT ASSETS			
Cash and cash equivalents	4	344,387	434,102
Trade debtors and other receivables	5	9,337	3,630
Prepayments		8,551	856
		<u>362,275</u>	<u>438,588</u>
TOTAL CURRENT ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	21,738	27,450
		<u>21,738</u>	<u>27,450</u>
TOTAL NON-CURRENT ASSETS			
		<u>384,013</u>	<u>466,038</u>
TOTAL ASSETS			
CURRENT LIABILITIES			
Trade and other payables	7	43,888	26,148
Employee benefits	8	174,015	144,921
		<u>217,903</u>	<u>171,069</u>
TOTAL CURRENT LIABILITIES			
NON-CURRENT LIABILITIES			
Employee benefits	8	-	-
		<u>-</u>	<u>-</u>
TOTAL NON-CURRENT LIABILITIES			
		<u>217,903</u>	<u>171,069</u>
TOTAL LIABILITIES			
		<u>166,110</u>	<u>294,969</u>
NET ASSETS			
MEMBERS EQUITY			
Retained earnings		<u>166,110</u>	<u>294,969</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 2014

	Retained earnings	Total
	\$	\$
Balance at 1 July 2012	332,526	332,526
Comprehensive income		
Deficit attributable to members of the Council	(37,557)	(37,557)
Total Other comprehensive income for the year	-	-
Balance at 30 June 2013	<u>294,969</u>	<u>294,969</u>
Balance at 1 July 2013	294,969	294,969
Comprehensive income		
Deficit attributable to members of the Council	(128,859)	(128,859)
Total Other comprehensive income for the year	-	-
Balance at 30 June 2014	<u>166,110</u>	<u>166,110</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 2014

	Notes	2014 \$	2013 \$
Cash Flows from Operating Activities			
Receipts from members		412,710	343,678
Payments to suppliers and employees		(514,070)	(316,039)
Interest received		12,670	16,635
Net cash provided by operating activities	9(b)	<u>(88,690)</u>	<u>44,274</u>
Cash Flows from Investing Activities			
Payments for plant and equipment		<u>(1,025)</u>	<u>(30,255)</u>
Net cash provided by investing activities		<u>(1,025)</u>	<u>(30,255)</u>
Cash Flows Financing Activities			
		<u>-</u>	<u>-</u>
Net decrease in cash held		(89,715)	14,019
Cash at beginning of financial year		434,102	420,083
Cash at end of financial year	9(a)	<u>344,387</u>	<u>434,102</u>

The accompanying notes form part of these financial statements

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

STATEMENT OF RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGE ACTIVITY
CASH BASIS - FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 \$	2013 \$
Cash assets in respect of recovery money at beginning of year			
Receipts			
Amount recovered from employers in respect of wages etc.		-	-
Interest received on recovered money		-	-
		<hr/>	<hr/>
Total Receipts		<hr/>	<hr/>
Payments			
Deductions of amounts due in respect of membership for:			
- 12 months or less		-	-
- greater than 12 months		-	-
Deductions of donations or other contributions to accounts or funds of			
- the Council		-	-
- other entity		-	-
Deductions of fees or reimbursements of expenses		-	-
Payments to workers in respect of recovered money		-	-
		<hr/>	<hr/>
Total Payments		<hr/>	<hr/>
Cash assets in respect of recovery money at end of year		<hr/>	<hr/>

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 2014

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 *Fair Work (Registered Organisations) Act 2009* (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 Ac). 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 2 September 2014 by the Committee of Management of the Council.

(a) Income Tax

The Council is exempt from income tax by virtue of section 50-1 of the *Income Tax Assessment Act 1997*, however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

(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 2014

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 measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Council commits itself to either purchase or sell the asset (ie trade date accounting is adopted). 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 recognised in profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial Instruments (Continued)

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

Financial assets are classified at "fair value through profit or loss" when they are either 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 value being included in profit or loss.

(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. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(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. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) *Available-for-sale investments*

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any re-measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) *Financial liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial Instruments (Continued)

Impairment

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets will be deemed to be impaired if, and only if, there is objective evidence of impairment as a result of the occurrence of one or more events (a "loss event"), which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include indications that the debtors, or a group of debtors, are experiencing significant financial difficulty, default or delinquency in interest or principal payments, indications that they will enter into bankruptcy or other financial reorganisation and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having undertaken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the writing off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Council recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of 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 expired. The difference between the carrying amount of the financial liability, which is 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 (Annual Leave, Vesting Sick Leave and Long Service Leave) arising from services rendered by employees to balance 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. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

Contributions are made by the Council to an employee superannuation fund and are expensed when incurred.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 accounted for on an accruals basis and is recorded as revenue in the year to which it relates

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").

(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) Impairment of Assets

At each reporting date, the Union reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less cost to sell and value in use, is compared to the asset's carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the statement of comprehensive income.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment. Refer to Note 1(k) for further discussion on the determination of impairment losses.

(m) 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.

(n) Adoption of New and Revised Accounting Standards

The Union adopted the following Australian Accounting Standards, together with the relevant consequential amendments arising from related Amending Standards, from the mandatory application date of 1 January 2013:

- AASB 10: Consolidated Financial Statements
- AASB 12: Disclosure of Interest in Other Entities; and
- AASB 127: Separate Financial Statements

The adoption of the above accounting standards did not impact on the financial statements as the Union does not hold any investment in other entities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) 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 are relevant to the Council. The Council has decided not to early adopt any of the new and amended pronouncements. The Council's assessment of the new and amended pronouncements that are relevant to the Council but applicable in future reporting periods is set out below:

- AASB 9: Financial Instruments (December 2010) and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2017).

These Standards will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and include revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Council on initial application of AASB 9 and associated Amending Standards include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

The committee members anticipate that the adoption of AASB 9 will not have any material impact on the financial statements of the Council.

- 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 provides clarifying guidance relating to the offsetting of financial instruments, which is not expected to impact the Council's financial statements.

- AASB 2013-3: Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard amends the disclosure requirements in AASB 136: Impairment of Assets pertaining to the use of fair value in impairment assessment and is not expected to significantly impact the Council's financial statements.

(p) Gains

Sale of assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

(q) Capitation fees and levies

Capitation fees and levies are to be recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Contingent Liabilities and Contingent Assets

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

(s) Going Concern

The Council has not entered into an agreement with another reporting unit for financial support to continue on a going concern basis.

The Council has not entered into any agreements to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

(t) Acquisition of Assets and Liabilities

The Council did not acquire any assets or liabilities during the year as a result of:

- (a) an amalgamation under Part 2 of Chapter 3 of the RO Act in with the organisation (of which the reporting unit form part) was the amalgamated organisation; or
- (b) a restructure of the branches of the organisation; or
- (c) a determination by the General Manager under subsection 245(1) of the RO Act of an alternative reporting structure for the organisation; or
- (d) a revocation by the General Manager under subsection 245(1).

The Council did not acquire any assets or liabilities during the year as a part of a business combination.

(u) Recovery of Wages

The Council has not undertaken any recovery of wages activities during the year or the comparative year.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
NOTE 2 – REVENUE		
Membership Revenue		
Membership fees	-	-
Other Revenue		
Capitation Fees		
- Australasian Meat Industry Employees Union – Queensland Branch (AMIEU – Queensland Branch)	132,982	124,025
- Australasian Meat Industry Employees Union – New South Wales Branch (AMIEU – NSW Branch)	72,837	63,754
- Australasian Meat Industry Employees Union – Newcastle & Northern Branch (AMIEU – Newcastle & Northern Branch)	58,156	47,924
- Australasian Meat Industry Employees Union – Tasmanian Branch (AMIEU – Tasmanian Branch)	9,895	7,830
- Australasian Meat Industry Employees Union – Victorian Branch (AMIEU – Victorian Branch)	-	-
- Australasian Meat Industry Employees Union – South Australian Branch (AMIEU – South Australian Branch)	42,469	36,712
	316,339	280,245
Compulsory Levies		
Australian Council of Trade Unions IR Levy (each state paid a portion)	33,832	33,832
Donations and grants		
Interest revenue	12,305	16,391
Other revenue	29,340	9,838
TOTAL REVENUE	391,816	340,306

The Council did not received any other financial support from another reporting unit to ensure that the provision of the principal activities are possible.

NOTE 3 – PROFIT BEFORE INCOME TAX

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

(a) Depreciation and amortisation	6,737	3,946
(b) Grants and Donations		
- Grants	-	-
- Donations	204	-
	204	-
(c) Legal Costs		
- Litigation	-	909
- Other Matters	-	-
	-	909

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
NOTE 3 – PROFIT BEFORE INCOME TAX (CONTINUED)		
(d) Employee benefits expense		
Holders of Office:		
- Salaries and wages	98,437	52,553
- Annual and personal leave expense	4,742	4,798
- Long service leave expense	9,595	1,035
- Superannuation	14,996	7,489
- Separation and redundancies	-	-
	127,770	65,875
Employees other than office holders:		
- Salaries and wages	98,188	93,340
- Annual and personal leave expense	9,271	16,416
- Long service leave expense	5,485	2,210
- Superannuation	10,071	9,334
- Separation and redundancies	-	-
	123,015	121,300
Total employee benefits expense	250,785	187,175
(e) Administration expenses		
- Fees/allowances – meetings and conferences	-	-
- Penalties – via RO Act or RO Regulations	-	-
- Consideration to employers for payroll deductions	-	-
- Conference and meeting expenses	2,259	4,389
- Administration expense	12,000	12,000
- Compulsory Levies		
- Australian Council of Trade Unions - IR levy	33,832	33,832
	48,091	50,221
(f) Affiliation fees		
- Australian Council of Trade Unions	59,206	56,899
- Australian People for Health Education & Development Abroad Inc	964	964
- International Union of Food Workers	36,826	3,000
	96,996	60,863
(g) Capitation fees	-	-
(h) Other expenses		
- Advertising expenses	500	-
- Airfares and travel	47,059	28,040
- Audit and accountancy	10,720	9,970
- Internet and web page	675	11,256
- Legal and industrial books	7,922	7,428
- Other expenses	27,017	18,055
	93,893	74,749

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
NOTE 4 – CASH AND CASH EQUIVALENTS		
Cash at Bank	16,571	3,954
Short term bank deposits	327,816	430,148
	<u>344,387</u>	<u>434,102</u>
<p>The effective interest rate on short-term bank deposits is 3.10% (2013: 3.35%); these deposits are held at call.</p>		
NOTE 5 – TRADE AND OTHER RECEIVABLES		
CURRENT		
Receivables from other reporting units	4,750	-
Less provision for doubtful debts	-	-
Total Receivable from other reporting units	<u>4,750</u>	<u>-</u>
Other receivables		
- Accrued interest	836	1,200
- GST receivable	3,751	2,430
Total other receivables	<u>4,587</u>	<u>3,630</u>
Total trade and other receivables	<u>9,337</u>	<u>3,630</u>

Credit Risk – Trade and Other Receivables

The Council has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Council.

On a geographical basis, the Council's trade and other receivables are all based in Australia.

The following table details the Council's trade and other receivables exposed to credit risk. Amounts are considered 'past due' when the debt has not been settled, within the terms and conditions agreed between the Council and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Council.

The balance of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 5 – TRADE AND OTHER RECEIVABLES (CONTINUED)

	Gross Amount	Past due and impaired	Past due but not impaired (days overdue)			Within initial trade terms	\$
			< 30	31-60	60+		
2014	\$	\$					
Receivables from other reporting units	-	-	-	-	-	-	-
Other trade receivables	9,337	-	-	-	-	-	9,337
Total	9,337	-	-	-	-	-	9,337
2013							
Receivables from other reporting units	-	-	-	-	-	-	-
Other trade receivables	3,630	-	-	-	-	-	3,630
Total	3,630	-	-	-	-	-	3,630

Collateral held as security

The Council does not hold collateral with respect to its receivables at 30 June 2014 (2013: Nil)

2014	2013
\$	\$

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT

Plant and Equipment

Furniture and fittings:		
At cost	908	908
Accumulated Depreciation	(908)	(758)
Total furniture and fittings	-	150
Office equipment:		
At cost	3,269	2,243
Accumulated Depreciation	(2,418)	(1,881)
Total office equipment	851	362
Motor Vehicles:		
At cost	30,254	30,254
Accumulated Depreciation	(9,367)	(3,316)
Total motor vehicles	20,887	26,938
Total Property, Plant and Equipment	21,738	27,450

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(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.

	Motor Vehicle	Furniture & Fittings	Office Equipment	Total
Balance at 1 July 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	26,938	150	362	27,450
Additions	-	-	1,025	1,025
Disposals	-	-	-	-
Depreciation expense	(6,051)	(150)	(536)	(6,737)
Carrying amount at 30 June 2014	20,887	-	851	21,738

2014	2013
\$	\$

NOTE 7 – TRADE AND OTHER PAYABLES

Trade payables		
- Trade payables and accruals	42,694	26,148
Other payables		
- GST payable	-	-
- Legal costs payable	-	-
- Consideration to employers for payroll deductions	-	-
Payables to other reporting units (AMIEU – SA Branch)	1,194	-
Total Trade and Other Payables	43,888	26,148

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

Trade and other payables	43,888	26,148
Financial liabilities as trade and other payables	43,888	26,148

NOTE 8 – PROVISIONS

	Annual Leave	Vesting Personal Leave	Long Service Leave	Total
	\$	\$	\$	\$
Opening balance at 1 July 2013	42,732	30,182	72,007	144,921
Additional provisions raised during the year	11,734	10,177	15,080	36,991
Amounts used	(7,897)	-	-	(7,897)
Balance at 30 June 2014	46,569	40,359	87,087	174,015

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
NOTE 8 – PROVISIONS (CONTINUED)		
Analysis of total provisions		
Current employee benefits		
- Annual leave	46,569	42,732
- Vesting personal leave	40,359	30,182
- Long service leave	87,087	72,007
	<u>174,015</u>	<u>144,921</u>
Non-current employee benefits		
- Long service leave	-	-
	<u>-</u>	<u>-</u>
Total employee benefits provisions	<u>174,015</u>	<u>144,921</u>
Employee benefits split between:		
Officeholders		
- Annual leave	4,521	4,069
- Vesting personal leave	34,455	1,615
- Long service leave	64,654	53,310
- Separation and redundancies	-	-
- Other	-	-
	<u>103,630</u>	<u>58,994</u>
Non-officeholders		
- Annual leave	42,048	38,663
- Vesting personal leave	5,904	28,567
- Long service leave	22,433	18,697
- Separation and redundancies	-	-
- Other	-	-
	<u>70,385</u>	<u>85,927</u>
Total employee benefits	<u>174,015</u>	<u>144,921</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€.

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	16,571	3,954
Short-term bank deposits	327,816	430,148
	<u>344,387</u>	<u>434,102</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
NOTE 9 – CASH FLOW INFORMATION (CONTINUED)		
(b) Reconciliation of cash flow from operations with profit after income tax		
(Deficit)/ Surplus	<u>(128,859)</u>	<u>(37,557)</u>
Non cash flows included in profit		
- Depreciation and amortisation	<u>6,737</u>	<u>3,946</u>
	<u>6,737</u>	<u>3,946</u>
Changes in assets and liabilities		
- (Increase)/ decrease in trade debtors and other receivables	(5,707)	(1,444)
- (Increase)/ decrease in prepayments	(7,695)	(11)
- Increase/ (decrease) in trade payables and accruals	17,740	9
- Increase/ (decrease) in provisions	<u>29,094</u>	<u>77,643</u>
	<u>33,432</u>	<u>77,885</u>
Net Cash provided by Operating Activities	<u>(88,690)</u>	<u>44,274</u>

€ Credit standby arrangements and Loan facilities

The Council has a credit card facility amounting to \$10,000 (2013: \$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 (2013: Nil).

€ Cash flows to/from other reporting units

Included in the statement of cash flows under operating activities are the following receipts and payments to other reporting units

Receipts from other reporting units

- AMIEU – Queensland Branch	165,509	149,869
- AMIEU – NSW Branch	88,155	77,319
- AMIEU – Newcastle & Northern Branch	86,231	68,652
- AMIEU – Tasmanian Branch	13,194	9,565
- AMIEU – Victorian Branch	7,174	6,263
- AMIEU – South Australian Branch	<u>51,992</u>	<u>138,070</u>

Total receipts from other reporting units

	<u>412,255</u>	<u>449,738</u>
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Payments to other reporting units

- AMIEU – Queensland Branch	1,373	3,458
- AMIEU – Newcastle & Northern Branch	9,002	-
- AMIEU – South Australian Branch	<u>13,033</u>	<u>51,596</u>

Total payments to other reporting units

	<u>23,408</u>	<u>55,054</u>
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Net cash received from other reporting units

	<u>388,847</u>	<u>394,684</u>
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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 2014

	2014	2013
	\$	\$
NOTE 11 – AUDITORS’ REMUNERATION		
Remuneration of the auditor of the Council for:		
(a) auditing or reviewing the financial statements	9,900	9,900
	9,900	9,900

NOTE 12 – 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 13 – 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.

NOTE 14 – RELATED PARTY TRANSACTIONS

The Council’s main related parties are as follows:

(a) Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any committee of management member of the Council, is considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 16.

(b) Other Related Parties

Other related parties include other Australasian Meat Industry Employee Union branches.

(c) Transactions with Related Parties

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

For details of the transactions with other related parties refer to Note 15.

The amount outstanding from/to any related parties are detailed in Note 15.

NOTE 15 – INTER-BRANCH TRANSACTIONS

Transactions with other branches of Australasian Meat Industry Employees Union – Federal Council (AMIEU – Federal Council) are on terms and conditions no more favourable than those available to other parties unless otherwise stated.

(a) AMIEU – Tasmanian Branch

*Sponsorship contributions received	100	-
Reimbursement of organising expenses received	570	
*Reimbursement of meatworker journal costs received	383	-
*Capitation fees received	9,895	7,830
*Compulsory levy received	1,100	866

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
NOTE 15 – INTER-BRANCH TRANSACTIONS (CONTINUED)		
<i>(b) AMIEU – Queensland Branch</i>		
*Reimbursement of meatworker journal costs received	5,001	-
*Ticket sales paid to AMIEU Queensland Branch	-	360
*Various expenses paid to AMIEU Queensland Branch	1,248	2,784
*Capitation fees received	132,982	124,025
*Compulsory levy received	12,230	12,219
*Sponsorship contributions received	250	-
Various expenses payable	94	-
 <i>€ AMIEU – Newcastle and Northern Branch</i>		
*Reimbursement of meatworker journal costs received	2,535	-
*Sponsorship contributions received	150	-
*Capitation fees received	58,156	47,924
*Compulsory levy received	4,801	4,649
*Non-Executive director fees received	12,750	9,838
Non-Executive director fees receivable	4,750	-
Postage paid to AMIEU – Newcastle and Northern Branch	6,784	-
Journal costs paid to AMIEU – Newcastle and Northern Branch	1,400	-
 <i>(d) AMIEU – Victorian Branch</i>		
*Reimbursement of meatworker journal costs received	1,136	-
*Compulsory levy received	5,386	5,693
 <i>€ AMIEU – South Australian Branch</i>		
*Various expenses paid to AMIEU – South Australian Branch	848	1,269
*Administration fees paid to AMIEU – South Australian Branch	11,000	12,000
*Reimbursement of meatworker journal costs received	893	-
*Capitation fees received	42,469	36,712
*Compulsory levy received	3,904	3,869
*Reimbursement of meeting & conference expenses received	-	226
*Reimbursement of flights and travel costs received	-	2,725
Employee entitlements transfer received	-	53,185
Loan funds received	-	7,000
Loan repayments made to AMIEU – South Australian Branch	-	7,000
Loan funds granted to AMIEU – South Australian Branch	-	30,000
Loan repayments received	-	30,000
Administration fees payable	1,100	12,000
 <i>(f) AMIEU – NSW</i>		
*Reimbursement of meatworker journal costs received	893	-
*Capitation fees received	72,838	63,754
*Compulsory levy received	6,411	6,536

The above transactions are shown net of GST. GST is applicable on all the above transactions marked with a "*" and therefore would increase the value by 10%.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 16 – 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
2014			
Total compensation	196,687	25,066	221,753
2013			
Total compensation	141,040	18,732	159,772

NOTE 17 – FINANCIAL RISK MANAGEMENT

The Council's financial instruments consist mainly of deposits with banks, local money market instruments, 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	2014 \$	2013 \$
Financial assets			
Cash and cash equivalents	4	344,387	434,102
Trade and other receivables	5	9,337	3,630
		<u>353,724</u>	<u>437,732</u>
Financial liabilities			
Trade and other payables	7	43,888	26,148
		<u>43,888</u>	<u>26,148</u>

Specific Financial Risk Exposures and Management

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

There have been no substantive changes in the types of risks the Council is exposed to, how these risks arise, or the Committee of Management's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for the Council.

The Council does not have any material credit risk exposures as its major source of revenue is the receipt of capitation fees from other State Branches.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 17 – FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Credit Risk Exposures

The maximum exposures to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of provisions) as presented in the statement of financial position.

Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed in Note 5.

The Council has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties. Details with respect to credit risk of accounts receivable and other debtors are provided in Note 5.

Credit risk related to balances with banks and other financial institutions is managed by the Committee of Management in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a strong reputation and backed by the Commonwealths bank guarantee. At 30 June 2014, all funds were held by financial institutions backed by the Commonwealth Government's bank guarantee.

(b) Liquidity Risk

Liquidity risk arises from the possibility that the Council might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The Council manages this risk through the following mechanisms:

- preparing forward looking cash flow estimates;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for non-derivative financial liabilities. The Council does not hold directly any 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 timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Financial Instrument Composition and Maturity Analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade payables	(43,888)	(26,148)	-	-	-	-	(43,888)	(26,148)
Total expected outflows	(43,888)	(26,148)	-	-	-	-	(43,888)	(26,148)
Financial assets – cash flow receivable								
Cash and cash equivalents	344,387	434,102	-	-	-	-	344,387	434,102
Other receivables	9,337	3,630	-	-	-	-	9,337	3,630
Total anticipated inflows	353,724	437,732	-	-	-	-	353,724	437,732
Net (outflow) / inflow on financial instruments	309,836	411,584	-	-	-	-	309,836	411,584

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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NOTE 17 – FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk

i. 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 Council to interest rate risk are limited to its cash.

ii. Other price risk

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of securities held.

The Council is not exposed to any other price risk at 30 June 2014 (2013: Nil)

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.

Sensitivity Analysis:

The following table illustrates sensitivities to the Council's exposures to changes in interest rates. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	2014	2013
	\$	\$
Change in profit		
- Increase in interest rate by 2%	6,888	8,681
- Decrease in interest rate by 2%	(6,556)	(8,602)
Change in Members Equity		
- Increase in interest rate by 2%	6,888	8,681
- Decrease in interest rate by 2%	(6,556)	(8,602)

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

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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NOTE 17 – FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair values

Fair value estimation

The fair values of financial assets and liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties at an arm's length transaction.

Fair value may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair values is extracted from the market, with more reliable information available from markets that are actively traded.

In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Council. Most of these instruments, which are carried at amortised cost (i.e. accounts receivable), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Council.

	Footnote	2014		2013	
		Carrying value	Fair value	Carrying value	Fair value
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	(i)	344,387	344,387	434,102	434,102
Accounts receivable and other debtors	(i)	9,337	9,337	3,630	3,630
Total financial assets		353,724	353,724	437,732	437,732
Financial liabilities					
Accounts payable and other payables	(i)	43,888	43,888	26,148	26,148
Total financial liabilities		43,888	43,888	26,148	26,148

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, accounts receivable and other debtors and accounts payable and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 139.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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NOTE 17 – FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair Values (Continued)

Fair Value Hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

The Council did not have any assets or liabilities that were recorded using the above fair value hierarchy at 30 June 2014 (2013: Nil).

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 2014

NOTE 19 –NOTICE REQUIRED UNDER THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

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 the General Manager, 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 Council 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 Council 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 Council and its Branches.
- (p) To borrow or raise or secure the payment of money in such manner as the Council 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 Council 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 Council 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 2014, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of recovery of wages activity 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.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of the Union for the year ended 30 June 2014 included on Australasian Meat Industry Employees Union – Federal Council website. The Union's Committee of Management are responsible for the integrity of the Australasian Meat Industry Employees Union – Federal Council's website. We have not been engaged to report on the integrity of the Australasian Meat Industry Employees Union – Federal Council's website. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/ from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this website.

Declarations

We declare that we are an approved auditor as defined in Regulation 4 of the *Fair Work(Registered Organisations) Regulations 2009*

We declare that we are members of the Institute of Chartered Accountants in Australia and hold a current *Public Practice Certificate*

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 2014 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 financial report also complies with International Financial Reporting Standards as disclosed in Note 1
- (3) 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
- (4) All the information and explanations that officers or employees of the Council were required to provide have been provided, and
- (5) There was no deficiency, failure or shortcoming in any matters referred to in (1) to (4) above
- (6) The Council's use of the going concern basis of accounting used in the preparation of the Council's financial statements is appropriate

M.G. I

MGI Assurance (South Qld) Pty Ltd



G I Kent

Director

Chartered Accountant and holder of a Certificate of Public Practice

Brisbane

2 September 2014