



4 January 2018

Mr Grant Courtney
Branch Secretary
Australasian Meat Industry Employees' Union, Newcastle and Northern Branch

By email: grant.courtney@meatworker.com.au

cc: blair@wppartners.com.au

Dear Mr Courtney,

**The Australasian Meat Industry Employees' Union, Newcastle and Northern Branch
Financial Report for the year ended 30 June 2017 - [FR2017/175]**

I acknowledge receipt of the financial report of The Australasian Meat Industry Employees' Union, Newcastle and Northern Branch (the reporting unit). The documents were lodged with the Registered Organisations Commission (the ROC) on 12 December 2017.

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 2018 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged, however I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these concerns have been addressed prior to filing next year's report.

General Purpose Financial Report (GPFR)

Valuation of property

It is noted that the land and buildings were last revalued in 2011. Property price changes during the past six years mean this valuation may not now fairly present the financial position to users of the financial statements.

In this regard *AASB 101 Presentation of Financial Statements* paragraph 15 requires that "Financial statements shall present fairly the financial position, financial performance and cash flows of an entity. ...".

For the 30 June 2018 financial statements the reporting unit is required to undertake a revaluation of the land and buildings or to clearly disclose to users of the statements the reasons for continuing to use the 2011 valuation.

Fair value measurement disclosures

Australian Accounting Standard *AASB 13 Fair Value Measurement* details the reporting disclosures required for assets and liabilities that are measured at fair value. Note 16B to the GPFR discloses financial assets but not the land and buildings non-financial assets at Note 6A.

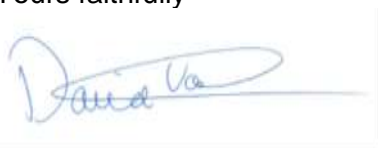
Reporting Requirements

New Reporting Guidelines will apply to organisations and branches with financial years commencing on or after 1 July 2017. Updates and information on the new guidelines will be provided through the ROC website and the [subscription service](#).

On the ROC website is a number of factsheets in relation to the financial reporting process and associated timelines. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The ROC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

If you have any queries regarding this letter, please contact me on (02) 8293 4654 or via email at david.vale@roc.gov.au.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'David Vale', is written over a horizontal line. The signature is contained within a rectangular box.

David Vale
Registered Organisations Commission



Grant Courtney
Secretary

AMIEU
NEWCASTLE & NORTHERN

Registered under the Workplace Relations Act 1996
ABN: 65 730 047 738

Empowering workers for over 100 years

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12 December 2017

Registered Organisations Commission
GPO Box 2983
MELBOURNE VIC 3001

To whom it may concern,

Re Lodgement of Audited Financial Reports – For Financial Year Ended 30 June 2017

I attach herewith for your files a copy of the General Purpose Financial Reports of the Australasian Meat Industry Employees' Union (Newcastle and Northern Branch) for the year ended 30 June 2017.

I also attach the designated officers Certificate, in accordance with section 268, Committee of Management Statement and Auditors Report.

The General Purpose Financial Report was submitted to the Annual General Meeting held the 24th of August 2017.

The General Purpose Financial Report including the Auditors report and operating report were posted on the Union's website at <http://newcastle.amieu.asn.au/> on the 28th of August 2017.

The Branch Committee of Management was presented with the full report on the 1st of December 2017 where they considered and adopted the Full Report. It being the first meeting following distribution of the Financial Reports to members in accordance with section 266.

Yours sincerely,

Grant Courtney
Secretary

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION

NEWCASTLE & NORTHERN BRANCH – FEDERAL

ABN 65 730 047 738

FINANCIAL STATEMENTS 2016–17

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Independent Audit Report

Independent Audit Report to the Members of Australasian Meat Employees Union Newcastle & Northern Branch - Federal

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of the Australasian Meat Employees Union Newcastle & Northern Branch - Federal (the Reporting Unit), which comprises the Statement of Financial Position as at 30 June 2017, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June 2017, Notes to the Financial Statements, including a summary of significant accounting policies; and the Committee of Management Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Australasian Meat Employees Union Newcastle & Northern Branch - Federal as at 30 June 2017, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

We declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

Basis for Opinion

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

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

Information Other than the Financial Report and Auditor's Report Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for our audit opinion.

We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We declare that we are an approved auditor, a member of the Institute of Chartered Accountants and hold a current Public Practice Certificate.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of the RO Act, We are required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act.

Our opinion on the financial report is not modified in respect of the following matter(s) because, in our opinion, it has been appropriately addressed by Australasian Meat Industry Employees Union - Federal and is not considered material in the context of the audit of the financial report as a whole.

Report on the Recovery of Wages Activity financial report

Opinion on the recovery of wages activity financial report

The scope of our work extended to the recovery of wages activity and we have audited the recovery of wages activity financial report for the year ended 30 June 2017.

In our opinion, the financial statements and notes and recovery of wages activity financial report properly and fairly report all information required by the reporting guidelines of the General Manager, including:

- (a) any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
- (b) any donations or other contributions deducted from recovered money.

Responsibilities

The Committee of Management is responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with the reporting guidelines of the General Manager. Our responsibility is to express an opinion on the recovery of wages activity financial report, based on our audit conducted in accordance with Australian Auditing Standards.


WP Partners

34 Main Road
Boolaroo NSW 2284 Ph (02) 49530070



Blair Andrew Powell

B.Com, LLB, MBA, CA, CPA, Grad Dip Leg Prac, GAICD
Registered Company Auditor 325660

Dated at Newcastle this Twenty Fourth day of August 2017.

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/79

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION

NEWCASTLE & NORTHERN BRANCH – FEDERAL

ABN 65 730 047 738

s.268 Fair Work (Registered Organisations) Act 2009

Certificate By Prescribed Designated Officer¹

Certificate for the year ended 30 June 2017

I, Grant Courtney, being the Secretary of the *Australasian Meat Employees Union Newcastle & Northern Branch – Federal* certify:

- that the documents lodged herewith are copies of the full report for the *Australasian Meat Employees Union Newcastle & Northern Branch – Federal* for the period ended 30 June 2017 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 24th August 2017; and
- that the full report was presented to a *Meeting of the Committee of Management* of the reporting unit on 1st December 2017 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:.....

Name of prescribed designated officer: GRANT COURTNEY

Title of prescribed designated officer: SECRETARY

Dated: 4th December 2017

¹ Regulation 162 of the *Fair Work (Registered Organisations) Regulations 2009* defines a 'prescribed designated officer' of a reporting unit for the purposes of s.268(c) as:
(a) the secretary; or
(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION

NEWCASTLE & NORTHERN BRANCH – FEDERAL

ABN 65 730 047 738

Operating Report

for the year ended 30 June 2017

The Committee of Management presents its operating report on the Reporting Unit for the year ended 30 June 2017.

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

The principle activities of the organisation during the financial year were:

- (a) uphold the rights of its members and to improve, protect and foster the best interests of its members, and to subscribe to and/or co-operate with a policy of improving the cultural and living standards of its members.
- (b) promote industrial peace by amicable means and to make arrangements to settle industrial disputes.
- (c) negotiate agreements with the employers of its members through collective bargaining and lawful collective industrial action.
- (d) establish a fund for the purpose of advancing the best interests of its members.
- (e) provide legal and other assistance to members whenever and wherever considered necessary.
- (f) pay affiliation fees to and participate in the activities of any bona fide Labour Trade Union organisation, association or peak council.
- (g) establish and manage a Union Journal.

There were no significant changes to the nature of those activities during the year.

The profit/(loss) from ordinary activities for the financial year ended 30 June 2017 amounted to \$52,400, (\$275,536) 2016.

Significant changes in financial affairs

There have been no significant changes other than the following, in the organisation's state of affairs during the financial year.

A review of the operations of the Union during the financial year and the results of those operations are as follows;

Total income for the Reporting Unit decreased by \$273,261 mainly due to the reduction of membership income from Inghams and the cessation of the call centre operations.

The Reporting Unit has continued with a strategy of cost reduction and maintenance of administration and overhead expenses during the year. Total expenses were reduced by \$112,257 of which salary and wages have reduced by \$52,428.

Effective 1 July 2016 the Australasian Meat Industry Employees Union Newcastle and Northern Branch – State consolidated their net assets of \$2,625,969 to the Reporting Unit represented by Cash of \$1,681,588, Land & Buildings of \$913,082 and net receivables of \$31,299.

During the year the Reporting Unit purchased two motor vehicles for \$82,464. The Reporting Unit also loaned \$15,000 to the SaWA Branch of the Australasian Meat Industry Employees Union to be repaid the Reporting Unit as the SaWA Branch becomes capable of making such payments. The SaWA Branch shall repay such loans in their entirety within a four year period following the making of this agreement.

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION

NEWCASTLE & NORTHERN BRANCH – FEDERAL

ABN 65 730 047 738

Right of members to resign

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

Officers or members who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee

No officer or member of the organisation is:

- I. a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- II. a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

Number of members

The number of persons that were, at the end of the financial year to which the report relates, recorded in the register of members for section 230 of the Act and who are taken to be members of the Union under section 244 of the Act was 2,714.

Number of employees

There were 9 persons who were, at the end of the financial year to which the report relates, employees of the reporting unit, where the number of employees includes both full time and part-time employees measured on a full-time equivalent basis.

Names of Committee of Management members and period positions held during the financial year

The name of each person who has been a member of the committee of management of the Union at any time during the reporting period, and the period for which he or she held such a position, were as follows;

| | |
|------------------|---|
| Mark Cooke | 1 July 2016 to 30 June 2017 |
| Katie Bennett | 1 July 2016 to 30 June 2017 |
| Grant Courtney | 1 July 2016 to 30 June 2017 (Secretary) |
| John Dawson | 1 July 2016 to 30 June 2017 |
| Leonie Gibson | 1 July 2016 to 30 June 2017 |
| Gordon McDonald | 1 July 2016 to 25 August 2016 |
| Brian Mordue | 1 July 2016 to 30 June 2017 |
| Donald Morehouse | 1 July 2016 to 30 June 2017 |
| Darrell Shelton | 1 July 2016 to 30 June 2017 |
| Jason Roe | 1 July 2016 to 30 June 2017 |
| Justin Smith | 1 July 2016 to 30 June 2017 (Assistant Secretary) |
| Hoi Ian Tam | 1 July 2016 to 30 June 2017 |
| Adrian Van Haren | 1 July 2016 to 30 June 2017 |
| Stuart Watt | 1 July 2016 to 30 June 2017 |

Signature of designated officer: 

Name and title of designated officer: GRANT COURTNEY (SECRETARY)

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION

NEWCASTLE & NORTHERN BRANCH – FEDERAL

ABN 65 730 047 738

Dated: 24 AUGUST 2017

Committee of Management Statement

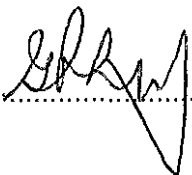
for the year ended 30 June 2017

On 24 August 2017 the Committee of Management of the Australasian Meat Industry Employees Union Newcastle & Northern Branch - Federal passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2017:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit 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 including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Registered Organisations Commission under section 273 of the RO Act, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period

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

Signature of designated officer:

Name and title of designated officer: GRANT COURTNEY (SECRETARY)

Dated: 24 AUGUST 2017

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION

NEWCASTLE & NORTHERN BRANCH – FEDERAL

ABN 65 730 047 738

Statement of Comprehensive Income

for the year ended 30 June 2017

| | Notes | 2017 \$ | 2016 \$ |
|--|-------|------------------|------------------|
| Revenue | | | |
| Membership subscription* | | 1,134,376 | 864,187 |
| Capitation fees | 3A | - | - |
| Levies | 3B | - | - |
| Interest | 3C | 25,384 | 1 |
| Other revenue | | 30,238 | 82,617 |
| Total revenue | | <u>1,189,998</u> | <u>946,805</u> |
| Other Income | | | |
| Grants and/or donations | 3D | - | - |
| Total other income | | - | - |
| Total income | | <u>1,189,998</u> | <u>946,805</u> |
| Expenses | | | |
| Employee expenses | 4A | 654,497 | 675,578 |
| Capitation fees | 4B | 65,684 | 64,743 |
| Affiliation fees | 4C | 16,922 | 24,218 |
| Administration expenses | 4D | 335,428 | 405,956 |
| Grants or donations | 4E | 3,841 | 5,147 |
| Depreciation and amortisation | 4F | 42,087 | 32,299 |
| Legal costs | 4G | 139 | 4,996 |
| Audit fees | 14 | 19,000 | 9,500 |
| Other expenses | 4H | - | - |
| Total expenses | | <u>1,137,598</u> | <u>1,222,341</u> |
| Surplus (deficit) for the year | | <u>52,400</u> | <u>(275,536)</u> |
| Other comprehensive income | | | |
| Items that will be subsequently reclassified to profit or loss | | | |
| Net gain on available for sale investments | | - | - |
| Items that will not be subsequently reclassified to profit or loss | | - | - |
| Gain on revaluation of land & buildings | | - | - |
| Total comprehensive income for the year | | <u>52,400</u> | <u>(275,536)</u> |

The above statement should be read in conjunction with the notes.

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION

NEWCASTLE & NORTHERN BRANCH – FEDERAL

ABN 65 730 047 738

Statement of Financial Position

as at 30 June 2017

| | Notes | 2017 \$ | 2016 \$ |
|---|-------|------------------|--------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | 5A | 1,761,298 | 9,203 |
| Trade and other receivables | 5B | 79,880 | 62,258 |
| Other current assets | 5C | 200 | - |
| Total current assets | | <u>1,841,378</u> | <u>71,461</u> |
| Non-Current Assets | | | |
| Land and buildings | 6A | 913,082 | - |
| Plant and equipment | 6B | 97,464 | 88,121 |
| Other non-current assets | 6C | 15,000 | - |
| Total non-current assets | | <u>1,025,546</u> | <u>88,121</u> |
| Total assets | | <u>2,866,924</u> | <u>159,582</u> |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade payables | 7A | 38,909 | 1,433,376 |
| Other payables | 7B | 41,836 | 78,963 |
| Employee provisions | 8A | 60,276 | 53,782 |
| Total current liabilities | | <u>141,021</u> | <u>1,566,121</u> |
| Non-Current Liabilities | | | |
| Employee provisions | 8A | 105,298 | 77,092 |
| Other non-current liabilities | 9A | - | 2,148 |
| Total non-current liabilities | | <u>105,298</u> | <u>79,240</u> |
| Total liabilities | | <u>246,319</u> | <u>1,645,361</u> |
| Net assets | | <u>2,620,605</u> | <u>(1,485,779)</u> |
| EQUITY | | | |
| Retained earnings (accumulated deficit) | | 2,620,605 | (1,485,779) |
| Total equity | | <u>2,620,605</u> | <u>(1,485,779)</u> |

The above statement should be read in conjunction with the notes.

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION

NEWCASTLE & NORTHERN BRANCH – FEDERAL

ABN 65 730 047 738

Statement of Changes in Equity

for the year ended 30 June 2017

| | Notes | General funds \$ | Retained earnings \$ | Total equity \$ |
|---|-------|------------------------|----------------------------|--------------------|
| Balance as at 1 July 2015 | | - | (1,210,243) | (1,210,243) |
| Other comprehensive income | | - | (275,536) | (275,536) |
| Closing balance as at 30 June 2016 | | - | (1,485,779) | (1,485,779) |
| Surplus / (deficit) | | - | 52,400 | 52,400 |
| Transfer from retained earnings | | - | 4,053,984 | 4,053,984 |
| Closing balance as at 30 June 2017 | | - | 2,620,605 | 2,620,605 |

The above statement should be read in conjunction with the notes.

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION

NEWCASTLE & NORTHERN BRANCH – FEDERAL

ABN 65 730 047 738

Statement of Cash Flows

for the year ended 30 June 2017

| | Notes | 2017 \$ | 2016 \$ |
|---|-------|------------------|------------------|
| OPERATING ACTIVITIES | | | |
| Cash received | | | |
| Receipts from other reporting units/controlled entity(s) | 11B | - | - |
| Interest | | 30,236 | 1 |
| Other | | 1,173,467 | 946,803 |
| Cash used | | | |
| Employees | | (619,797) | (593,403) |
| Suppliers | | (436,173) | (607,466) |
| Payment to other reporting units/controlled entity(s) | 11B | - | - |
| Net cash from (used by) operating activities | 11A | 147,733 | (254,065) |
| INVESTING ACTIVITIES | | | |
| Cash received | | | |
| Proceeds from sale of plant and equipment | | 31,035 | - |
| Cash used | | | |
| Purchase of plant and equipment | | (82,464) | - |
| Purchase of land and buildings | | - | (2,772) |
| Other | | (15,000) | - |
| Net cash from (used by) investing activities | | (66,429) | (2,772) |
| FINANCING ACTIVITIES | | | |
| Cash received | | | |
| Other | | 1,681,588 | 269,905 |
| Cash used | | | |
| Repayment of borrowings | | (10,797) | (8,649) |
| Net cash from (used by) financing activities | | 1,670,791 | 261,256 |
| Net increase (decrease) in cash held | | 1,752,095 | 4,419 |
| Cash & cash equivalents at the beginning of the reporting period | | 9,203 | 4,784 |
| Cash & cash equivalents at the end of the reporting period | 5A | 1,761,298 | 9,203 |

The above statement should be read in conjunction with the notes.

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION

NEWCASTLE & NORTHERN BRANCH – FEDERAL

ABN 65 730 047 738

Recovery of Wages Activity*

for the year ended 30 June 2017

| | 2017 | 2016 |
|---|------|------|
| | \$ | \$ |
| Cash assets in respect of recovered money at beginning of year | - | - |
| Receipts | | |
| Amounts recovered from employers in respect of wages etc. | - | - |
| Interest received on recovered money | - | - |
| Total receipts | - | - |
| 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 reporting unit: | | |
| name of account | - | - |
| name of fund | - | - |
| Name of other reporting unit of the organisation: | | |
| name of account | - | - |
| name of fund | - | - |
| Name of other entity: | | |
| name of account | - | - |
| name of fund | - | - |
| Deductions of fees or reimbursement of expenses | - | - |
| Payments to workers in respect of recovered money | - | - |
| Total payments | - | - |
| Cash assets in respect of recovered money at end of year | - | - |
| Number of workers to which the monies recovered relates | - | - |
| Aggregate payables to workers attributable to recovered monies but not yet distributed | | |
| Payable balance | - | - |
| Number of workers the payable relates to | - | - |
| Fund or account operated for recovery of wages | | |
| <i>[Insert fund or account name. If invested in assets include value of each asset]</i> | - | - |

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

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Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the Australasian Meat Industry Employees Union - Federal is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

The *Committee of Management* evaluate 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 Union.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date stated in the standard.

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The accounting policies adopted are consistent with those of the previous financial year except for the following standards and amendments, which have been adopted for the first time this financial year:

- *AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations* require an entity acquiring an interest in a joint operation, in which the activity of the joint operation constitutes a business, to apply, to the extent of its share, all of the principles in *AASB 3 Business Combinations* and other Australian Accounting Standards that do not conflict with the requirements of *AASB 11 Joint Arrangements*.

This amendment did not have an impact on the Australasian Meat Industry Employees Union Newcastle and Northern Branch – Federal.

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- *AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation* clarify the principle in AASB 116 *Property, Plant and Equipment* and AASB 138 *Intangible Assets* that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, the ratio of revenue generated to total revenue expected to be generated cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

This amendment did not have an impact on the Australasian Meat Industry Employees Union Newcastle and Northern Branch – Federal.

- *AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements* amends AASB 127 *Separate Financial Statements* to allow an entity to use the equity method as described in AASB 128 to account for its investments in subsidiaries, joint ventures and associates its separate financial statements.

This amendment did not have an impact on the Australasian Meat Industry Employees Union Newcastle and Northern Branch – Federal.

- *AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle* clarify certain requirements in:
 - AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* – Changes in methods of disposal
 - AASB 7 *Financial Instruments: Disclosures* – servicing contracts; applicability of the amendments to AASB 7 to condensed interim financial statements
 - AASB 119 *Employee Benefits* – regional market issue regarding discount rate
 - AASB 134 *Interim Financial Reporting* – disclosure of information 'elsewhere in the interim financial report'

This amendment did not have an impact on the Australasian Meat Industry Employees Union Newcastle and Northern Branch – Federal.

- *AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101* amends AASB 101 *Presentation of Financial Statements* to clarify existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying the Standard in determining what information to disclose, where and in what order information is presented in their financial statements. For example the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures.

This amendment did not have an impact on the Australasian Meat Industry Employees Union Newcastle and Northern Branch – Federal.

- *AASB 2015-5 Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception* amends AASB 10 *Consolidated Financial Statements*, AASB 12 *Disclosure in Interests in Other Entities* and AASB 128 *Investments in Associates and Joint Ventures* to clarify how investment entities and their subsidiaries apply the consolidation exception.

This amendment did not have an impact on the Australasian Meat Industry Employees Union Newcastle and Northern Branch – Federal.

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Future Australian Accounting Standards Requirements

- AASB 2016-2 Disclosure Initiative: Amendments to AASB 107 – Requires entities to provide information about changes in liabilities arising from financing activities. The effective date is 1 January 2017 with early adoption permitted. The Reporting Unit has not chosen to adopt this standard early therefore this standard did not have an impact on the Australasian Meat Industry Employees Union Newcastle and Northern Branch – Federal.
- AASB 2016-7 Deferral of AASB 15 for Not-for Profit Entities – Amends the mandatory effective date of AASB 15 to annual reporting periods beginning on or after 1 January 2019 (instead of 1 January 2018) consistent with the AASB 1058 effective date. The effective date is 1 January 2017 with early adoption permitted. The Reporting Unit has not chosen to adopt this standard early therefore this standard did not have an impact on the Australasian Meat Industry Employees Union Newcastle and Northern Branch – Federal.
- AASB 9 Financial Instruments – Revised principles for accounting for financial assets and liabilities: recognition and derecognition, classification, measurement, impairment and hedge accounting. The effective date is 1 January 2018 with early adoption permitted. The Reporting Unit has not chosen to adopt this standard early therefore this standard did not have an impact on the Australasian Meat Industry Employees Union Newcastle and Northern Branch – Federal.
- AASB 15 Revenue from Contracts with Customers AASB 2016-3 Clarifications to AASB 15 – Introduces a single revenue recognition model based on the transfer of goods and services and the consideration expected to be received for that transfer. The effective date is 1 January 201 with early adoption permitted. The Reporting Unit has not chosen to adopt this standard early therefore this standard did not have an impact on the Australasian Meat Industry Employees Union Newcastle and Northern Branch – Federal.
- AASB 16 Leases – Recognises right-of-use assets and liabilities arising from all leases, with exceptions for low value and short term leases. The effective date is 1 January 2019 with early adoption permitted. The Reporting Unit has not chosen to adopt this standard early therefore this standard did not have an impact on the Australasian Meat Industry Employees Union Newcastle and Northern Branch – Federal.
- AASB 1058 Income of Not-for-Profit Entities AASB 2016-8 Australian Implementation Guidance for Not-for-Profit Entities – Replaces the existing requirements in AASB 1004 Contributions superseding all the income recognition requirements relating to private sector Not-for-Profit (NFP) entities, and the majority of income recognition requirements relating to public sector NFP entities. Clarifies the income recognition requirements that apply to NFP entities, in conjunction with AASB 15 (see above). The effective date is 1 January 2019 with early adoption permitted. The Reporting Unit has not chosen to adopt this standard early therefore this standard did not have an impact on the Australasian Meat Industry Employees Union Newcastle and Northern Branch – Federal.

1.5 Investment in associates and joint arrangements

An associate is an entity over which the Australasian Meat Industry Employees Union - Federal has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

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A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the individual assets and obligations for the liabilities of the joint operation. The Australasian Meat Industry Employees Union Newcastle and Northern Branch – Federal has no investment in associates or joint arrangements.

1.6 Acquisition of assets and or liabilities that do not constitute a business combination

The net book value of assets and or liabilities transferred to Australasian Meat Industry Employees Union - Federal for no consideration is used to account for an amalgamation under Part 2 of Chapter 3 of the *Fair Work (Registered Organisations) Act 2009/a* restructure of the branches of the Australasian Meat Industry Employees Union - Federal/a determination by the General Manager under subsections 245(1) of the *Fair Work (Registered Organisations) Act 2009/a* revocation by the General Manager under subsection 249(1) of the *Fair Work (Registered Organisations) Act 2009*.

The assets and liabilities are recognised as at the date of transfer.

1.7 Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised on an accrual basis using the effective interest method.

1.8 Government grants²

Government grants are not recognised until there is reasonable assurance that the Australasian Meat Industry Employees Union - Federal will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Australasian Meat Industry Employees Union - Federal recognises as

² Policy relevant for for-profit reporting units. Not-for-profit reporting units must comply with AASB 1004 Contributions.

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expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Australasian Meat Industry Employees Union - Federal should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

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

1.9 Gains

Sale of assets

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

1.10 Capitation fees and levies

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

1.11 Employee benefits

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

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. The reporting unit recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

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1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

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

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.13 Borrowing costs

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

1.14 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

1.15 Financial instruments

Financial assets and financial liabilities are recognised when the Australasian Meat Industry Employees Union - Federal entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the

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acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.16 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

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Available-for-sale

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that

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occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Derecognition of financial assets

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and

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receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

1.17 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

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The reporting unit derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

1.18 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.

1.19 Land, Buildings, Plant and Equipment

Asset Recognition Threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations—Land and Buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

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Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

| | 2017 | 2016 |
|---------------------|---------------------|--------------|
| Land & buildings | nil | nil |
| Plant and equipment | 2 to 7 years | 2 to 7 years |

Derecognition

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

1.20 Impairment of non-financial assets

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

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

1.21 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

1.22 Taxation

Australasian Meat Industry Employees Union - Federal is exempt from income tax under 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).

Revenues, expenses and assets are recognised net of GST except:

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- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

1.23 Fair value measurement

The Australasian Meat Industry Employees Union - Federal measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Australasian Meat Industry Employees Union - Federal. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Australasian Meat Industry Employees Union - Federal uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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For assets and liabilities that are recognised in the financial statements on a recurring basis, the Australasian Meat Industry Employees Union - Federal determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Australasian Meat Industry Employees Union - Federal has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

1.24 Going concern

Australasian Meat Industry Employees Union - Federal is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

Note 2 Events after the reporting period

There were no events that occurred after 30 June 2017, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of Australasian Meat Industry Employees Union - Federal.

| | 2017 | 2016 |
|--|---------------|----------|
| | \$ | \$ |
| Note 3 Income | | |
| Note 3A: Capitation fees* | | |
| <i>[list name and amount for each reporting unit]</i> | - | - |
| Total capitation fees | <u>-</u> | <u>-</u> |
| Note 3B: Levies* | | |
| <i>[list purpose and amount for each compulsory or voluntary levy or appeal]</i> | - | - |
| Total levies | <u>-</u> | <u>-</u> |
| Note 3C: Interest | | |
| Deposits | 25,384 | 1 |
| Loans | - | - |
| Total interest | <u>25,384</u> | <u>1</u> |
| Note 3D: Grants or donations* | | |
| Grants | - | - |
| Donations | - | - |
| Total grants or donations | <u>-</u> | <u>-</u> |
| Note 3E: Net gains from sale of assets | | |
| Land and buildings | - | - |
| Plant and equipment | - | - |
| Intangibles | - | - |
| Total net gain from sale of assets | <u>-</u> | <u>-</u> |

* As required by the Reporting Guidelines. Item to remain even if 'nil'.

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| | 2017 | 2016 |
|---|----------------|-------------|
| | \$ | \$ |
| Note 4 Expenses | | |
| Note 4A: Employee expenses* | | |
| Holders of office: | | |
| Wages and salaries | 389,796 | 340,134 |
| Superannuation | 51,677 | 48,628 |
| Leave and other entitlements | - | 4,044 |
| Separation and redundancies | - | - |
| Other employee expenses | (610) | 3,132 |
| Subtotal employee expenses holders of office | 440,863 | 395,938 |
| Employees other than office holders: | | |
| Wages and salaries | 192,046 | 255,695 |
| Superannuation | 21,588 | 24,125 |
| Leave and other entitlements | - | (180) |
| Separation and redundancies | - | - |
| Other employee expenses | - | - |
| Subtotal employee expenses employees other than office holders | 213,634 | 279,640 |
| Total employee expenses | 654,497 | 675,578 |
| | | |
| Note 4B: Capitation fees* | | |
| AMIEU – Federal Branch | 65,684 | 64,743 |
| Total capitation fees | 65,684 | 64,743 |
| | | |
| Note 4C: Affiliation fees* | | |
| AMIEU Federal Council | 3,520 | 11,364 |
| ALP NSW Labor Affiliation | 4,796 | 6,427 |
| Newcastle Trades Hall Council | 2,552 | 2,517 |
| Unions NSW | 6,054 | 3,910 |
| Total affiliation fees/subscriptions | 16,922 | 24,218 |

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

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| | 2017 | 2016 |
|--|----------------|----------------|
| | \$ | \$ |
| Note 4D: Administration expenses | | |
| Consideration to employers for payroll deductions* | - | - |
| Compulsory levies* | | |
| <i>[list each levy including purpose and name of entity]</i> | - | - |
| Fees/allowances - meeting and conferences* | - | - |
| Conference and meeting expenses* | 2,536 | 10,617 |
| Contractors/consultants | - | - |
| Property expenses | 25,931 | 114,836 |
| Office expenses | 63,519 | 55,983 |
| Information communications technology | 36,138 | 40,823 |
| Other | 207,304 | 183,701 |
| Subtotal administration expense | 335,428 | 405,960 |
| | | |
| Operating lease rentals: | | |
| Minimum lease payments | - | - |
| Total administration expenses | 335,428 | 405,960 |

Note 4E: Grants or donations*

| | | |
|--------------------------------------|--------------|--------------|
| Grants: | | |
| Total paid that were \$1,000 or less | - | - |
| Total paid that exceeded \$1,000 | - | 3,892 |
| Donations: | | |
| Total paid that were \$1,000 or less | 1,841 | 1,255 |
| Total paid that exceeded \$1,000 | 2,000 | - |
| Total grants or donations | 3,841 | 5,147 |

Note 4F: Depreciation and amortisation

| | | |
|--|---------------|---------------|
| Depreciation | | |
| Land & buildings | - | - |
| Property, plant and equipment | 42,087 | 32,299 |
| Total depreciation | 42,087 | 32,299 |
| Amortisation | | |
| Intangibles | - | - |
| Total amortisation | - | - |
| Total depreciation and amortisation | 42,087 | 32,299 |

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

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| | 2017 | 2016 |
|--|------|------|
| | \$ | \$ |

Note 4G: Legal costs*

| | | |
|--------------------------|------------|--------------|
| Litigation | - | - |
| Other legal matters | 139 | 4,996 |
| Total legal costs | 139 | 4,996 |

Note 4H: Other expenses

| | | |
|---|----------|----------|
| Penalties - via RO Act or RO Regulations* | - | - |
| Total other expenses | - | - |

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

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| | 2017 | 2016 |
|---|------------------|--------------|
| | \$ | \$ |
| Note 5 Current Assets | | |
| Note 5A: Cash and Cash Equivalents | | |
| Cash at bank | 470,470 | 9,203 |
| Cash on hand | 118 | - |
| Short term deposits | 1,290,710 | - |
| Other | - | - |
| Total cash and cash equivalents | <u>1,761,298</u> | <u>9,203</u> |

Note 5B: Trade and Other Receivables

| | | |
|---|---------------|---------------|
| Receivables from other reporting unit[s]* | | |
| <i>[list name and amount for each other reporting unit]</i> | - | - |
| Total receivables from other reporting unit[s] | <u>-</u> | <u>-</u> |
| Less provision for doubtful debts* | | |
| <i>[list name and amount for each other reporting unit]</i> | - | - |
| Total provision for doubtful debts | <u>-</u> | <u>-</u> |
| Receivable from other reporting unit[s] (net) | <u>-</u> | <u>-</u> |
| Other receivables: | | |
| GST receivable | - | - |
| Other trade receivables | 79,880 | 62,258 |
| Total other receivables | <u>79,880</u> | <u>62,258</u> |
| Total trade and other receivables (net) | <u>79,880</u> | <u>62,258</u> |

Note 5C: Other Current Assets

| | | |
|-----------------------------------|------------|----------|
| Prepayments | 200 | - |
| Total other current assets | <u>200</u> | <u>-</u> |

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

| | 2017 | 2016 |
|---------------------------|------|------|
| | \$ | \$ |
| Note 6 | | |
| Non-current Assets | | |

Note 6A: Land and buildings

| | | |
|---------------------------------|----------------|----------|
| Land and buildings: | | |
| fair value | 913,082 | - |
| accumulated depreciation | - | - |
| Total land and buildings | 913,082 | - |

Reconciliation of Opening and Closing Balances of Land and Buildings

| | | |
|--|----------------|----------|
| As at 1 July | | |
| Gross book value | - | - |
| Accumulated depreciation and impairment | - | - |
| Net book value 1 July | - | - |
| Additions: | | |
| By purchase | - | - |
| From acquisition of entities (including restructuring) | 913,082 | - |
| Revaluations | - | - |
| Impairments | - | - |
| Depreciation expense | - | - |
| Other movement [<i>give details below</i>] | - | - |
| Disposals: | | |
| From disposal of entities (including restructuring) | - | - |
| Other | - | - |
| Net book value 30 June | 913,082 | - |
| Net book value as of 30 June represented by: | | |
| Gross book value | 913,082 | - |
| Accumulated depreciation and impairment | - | - |
| Net book value 30 June | 913,082 | - |

[Fair value disclosures required for land and buildings remeasured to fair value]

The revalued land and buildings consist of 34 Union Street, Newcastle West. Management determined that these constitute one class of asset under AASB 13, based on the nature, characteristics and risks of the property.

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Note 6A: Land and buildings (continued)

Fair value of the properties was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for the difference in the nature, location or condition of the specific property. As at the date of revaluation 22 September 2011, the properties' fair values are based on valuations performed by McMonigal Valuations, an accredited independent valuer.

2017 **2016**
\$ \$

Note 6B: Plant and equipment

Plant and equipment:

| | | |
|----------------------------------|------------------|---------------|
| at cost | 526,305 | 212,598 |
| accumulated depreciation | (428,841) | (124,477) |
| Total plant and equipment | 97,464 | 88,121 |

Reconciliation of Opening and Closing Balances of Plant and Equipment

| | | |
|--|------------------|----------------|
| As at 1 July | | |
| Gross book value - Federal | 212,598 | 209,826 |
| Gross book value – State 1 July | 326,210 | - |
| Accumulated depreciation and impairment | (124,477) | (92,178) |
| Accumulated depreciation and impairment - State 1 July | (326,210) | - |
| Net book value 1 July | 88,121 | 117,648 |
| Additions: | | |
| By purchase | 82,464 | 2,772 |
| From acquisition of entities (including restructuring) | - | - |
| Impairments | - | - |
| Depreciation expense | (42,086) | (32,299) |
| Other movement [<i>give details below</i>] | - | - |
| Disposals: | (31,035) | |
| From disposal of entities (including restructuring) | - | - |
| Other | - | - |
| Net book value 30 June | 97,464 | 88,121 |
| Net book value as of 30 June represented by: | | |
| Gross book value | 526,305 | 212,598 |
| Accumulated depreciation and impairment | (428,841) | (124,477) |
| Net book value 30 June | 97,464 | 88,121 |

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| | |
|-------------|-------------|
| 2017 | 2016 |
| \$ | \$ |

Note 6C: Other Non-current Assets

| | | |
|---|---------------|---|
| Other | <u>15,000</u> | - |
| Total other non-financial assets | <u>15,000</u> | - |

Note 7 Current Liabilities

Note 7A: Trade payables

| | | |
|---------------------------------|---------------|-------|
| Trade creditors and accruals | <u>38,909</u> | 5,361 |
| Subtotal trade creditors | <u>38,909</u> | 5,361 |

Payables to other reporting unit[s]*

| | | |
|--|----------|------------------|
| Australasian Meat Industry Employees Union Newcastle and Northern Branch – State | - | 1,428,015 |
| Subtotal payables to other reporting unit[s] | <u>-</u> | <u>1,428,015</u> |

| | | |
|-----------------------------|---------------|------------------|
| Total trade payables | <u>38,909</u> | <u>1,433,376</u> |
|-----------------------------|---------------|------------------|

Settlement is usually made within 30 days.

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

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| | 2017 | 2016 |
|---|----------------|----------------|
| | \$ | \$ |
| Note 7B: Other payables | | |
| Wages and salaries | 228 | 8,702 |
| Superannuation | - | - |
| Consideration to employers for payroll deductions* | - | - |
| Legal costs* | | |
| Litigation | - | - |
| Other legal matters | - | - |
| Prepayments received/unearned revenue | - | - |
| Loan Toyota Finance | - | 8,650 |
| GST payable | - | 15,794 |
| Other | 41,608 | 45,817 |
| Total other payables | 41,836 | 78,963 |
| Total other payables are expected to be settled in: | | |
| No more than 12 months | 41,836 | 78,963 |
| More than 12 months | - | - |
| Total other payables | 41,836 | 78,963 |
| Note 8 Provisions | | |
| Note 8A: Employee Provisions* | | |
| Office Holders: | | |
| Annual leave | 49,070 | 45,251 |
| Long service leave | 93,971 | 70,321 |
| Separations and redundancies | - | - |
| Other | - | - |
| Subtotal employee provisions—office holders | 143,041 | 115,572 |
| Employees other than office holders: | | |
| Annual leave | 11,206 | 8,531 |
| Long service leave | 11,327 | 6,771 |
| Separations and redundancies | - | - |
| Other | - | - |
| Subtotal employee provisions—employees other than office holders | 22,533 | 15,302 |
| Total employee provisions | 165,574 | 130,874 |
| Current | 60,276 | 53,782 |
| Non Current | 105,298 | 77,092 |
| Total employee provisions | 165,574 | 130,874 |

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

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| | 2017 | 2016 |
|--|------|-------|
| | \$ | \$ |
| Note 9 Non-current Liabilities | | |
| Note 9A: Other non-current liabilities | | |
| Loan Toyota Finance | - | 2,148 |
| Total other non-current liabilities | - | 2,148 |
| Note 10 Equity | | |
| Note 10A: Other Specific disclosures - Funds* | | |
| Compulsory levy/voluntary contribution fund – if invested in assets | | |
| <i>[list name of fund or account]</i> | - | - |
| Other fund(s) required by rules | | |
| <i>[insert name of individual fund and purpose]</i> | | |
| Balance as at start of year | - | - |
| Transferred to reserve | - | - |
| Transferred out of reserve | - | - |
| Balance as at end of year | - | - |

*As required by Reporting Guidelines. Items to be disclosed even if nil.

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| | 2017 | 2016 |
|--|------|------|
| | \$ | \$ |

Note 11 Cash Flow

Note 11A: Cash Flow Reconciliation

Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:

Cash and cash equivalents as per:

| | | |
|---------------------|-----------|----------|
| Cash flow statement | 1,761,298 | 9,203 |
| Balance sheet | 1,761,298 | 9,203 |
| Difference | <u>-</u> | <u>-</u> |

Reconciliation of profit/(deficit) to net cash from operating activities:

| | | |
|-------------------------------|--------|-----------|
| Profit/(deficit) for the year | 52,400 | (275,536) |
|-------------------------------|--------|-----------|

Adjustments for non-cash items

| | | |
|---|--------|--------|
| Depreciation/amortisation | - | - |
| Net write-down of non-financial assets | 42,087 | 32,299 |
| Fair value movements in investment property | - | - |
| Gain on disposal of assets | - | - |

Changes in assets/liabilities

| | | |
|---|----------------|------------------|
| (Increase)/decrease in net receivables | 13,476 | (11,969) |
| (Increase)/decrease in prepayments | - | - |
| Increase/(decrease) in supplier payables | 33,548 | (6,294) |
| Increase/(decrease) in other payables | (28,478) | 3,570 |
| Increase/(decrease) in employee provisions | 34,700 | 3,865 |
| Increase/(decrease) in other provisions | - | - |
| Net cash from (used by) operating activities | <u>147,733</u> | <u>(254,065)</u> |

Note 11B: Cash flow information*

| | | |
|---|----------|----------------|
| Cash inflows | | |
| Loan – Toyota Finance | | (8,649) |
| Australasian Meat Industry Union Newcastle & Northern Branch – State (refer note 13A) | - | 269,905 |
| Total cash inflows | <u>-</u> | <u>261,256</u> |
| Cash outflows | | |
| Total cash outflows | <u>-</u> | <u>-</u> |

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

2017
\$

2016
\$

Note 12 Contingent Liabilities, Assets and Commitments

Other contingent assets or liabilities (i.e. legal claims)

The property located at 34 Union Street Newcastle West, is subject to an application by the Reporting Unit's solicitors, Carroll & O'dea, for exemption in relation to Stamp Duty on the transfer of the Property from the Australasian Meat Industry Employees Union Newcastle and Northern Branch – State to the Reporting Unit. Based on the value of \$865,000 the Stamp Duty applicable could be approximately \$34,415. This has not been show in the Statement of Financial Position for the Reporting Unit as at 30 June 2017.

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| | 2017 | 2016 |
|----------------------------------|------|------|
| | \$ | \$ |
| Note 13 | | |
| Related Party Disclosures | | |

Note 13A: Related Party Transactions for the Reporting Period

Australasian Meat Industry Employees Union Newcastle & Northern Branch - State [Related Party]
 "AMIEU NNB - State" is a state based registered organisation complying with the *Industrial Relations Act 1996*. The *Committee of Management* controls both the Federal and State registered organisations. The state based organisation has a transitional registration. At 1 July 2016 the net assets AMIEU NNB – State were transferred to the Reporting Unit. The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

Revenue received from [list related party] includes the following:

| | | |
|--------------------------------|---|---|
| <i>[list individual items]</i> | - | - |
|--------------------------------|---|---|

Expenses paid to AMIEU NNB - State includes the following:

| | | |
|-------------------|---|--------|
| Property expenses | - | 99,120 |
| Other | | 15,716 |

Amounts owed by [list related party] include the following:

| | | |
|--------------------------------|---|---|
| <i>[list individual items]</i> | - | - |
|--------------------------------|---|---|

Amounts owed to AMIEU NNB - State include the following:

| | | |
|------|---|-----------|
| Loan | - | 1,428,015 |
|------|---|-----------|

Loans from/to [list related party] includes the following:

| | | |
|--------------------------------|---|---|
| <i>[list individual items]</i> | - | - |
|--------------------------------|---|---|

Assets transferred from/to [list related party] includes the following:

| | | |
|-------------------|-----------|---|
| Cash | 1,681,588 | - |
| Land & Building | 913,082 | |
| Trade Receivables | 31,299 | |

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2017, the Australasian Meat Industry Employees Union - Federal has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2016: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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| | | |
|--|------|------|
| | 2017 | 2016 |
| | \$ | \$ |

Note 13B: Key Management Personnel Remuneration for the Reporting Period

Short-term employee benefits

| | | |
|---|----------------|----------------|
| Salary (including annual leave taken) | 193,529 | 194,940 |
| Annual leave accrued | 446 | (794) |
| Performance bonus | - | - |
| [other major categories] | - | - |
| Total short-term employee benefits | <u>193,975</u> | <u>194,146</u> |

Post-employment benefits:

| | | |
|---------------------------------------|---------------|---------------|
| Superannuation | 28,383 | 28,624 |
| Total post-employment benefits | <u>28,383</u> | <u>28,624</u> |

Other long-term benefits:

| | | |
|---------------------------------------|---------------|--------------|
| Long-service leave | 14,294 | 7,855 |
| Total other long-term benefits | <u>14,294</u> | <u>7,855</u> |

Termination benefits

| | | |
|--------------|----------------|----------------|
| | - | - |
| Total | <u>236,652</u> | <u>230,625</u> |

Note 14 Remuneration of Auditors

Value of the services provided

| | | |
|---------------------------------------|---------------|--------------|
| Financial statement audit services | 19,000 | 9,500 |
| Other services | - | - |
| Total remuneration of auditors | <u>19,000</u> | <u>9,500</u> |

No other services were provided by the auditors of the financial statements.

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2017 2016
\$ \$

Note 15 Financial Instruments

The Australasian Meat Industry Employees Union – Federal financial instruments include cash and cash equivalent, trade and other receivables and trade and other payables.

The main risks Australasian Meat Industry Employees Union is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, and equity price risk.

The Union's financial instruments consist mainly of deposits with banks, local money market instruments, accounts receivable and payable.

Note 15A: Categories of Financial Instruments

Financial Assets

| | | |
|---|----------------------|-------------------|
| Held-to-maturity investments: | | |
| Cash and cash equivalent | 1,761,298 | 9,203 |
| Total | 1,761,298 | 9,203 |
| Loans and receivables: | | |
| Trade and other receivables | 79,880 | 65,258 |
| Total | 79,880 | 65,258 |
| <i>Carrying amount of financial assets</i> | 1,841,178 | 74,461 |

Financial Liabilities

| | | |
|--|-------------------|----------------------|
| Other financial liabilities: | | |
| Trade and other payables | 80,745 | 1,512,339 |
| Total | 80,745 | 1,512,339 |
| <i>Carrying amount of financial liabilities</i> | 80,745 | 1,512,339 |

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| | 2017 | 2016 |
|---|--------|------|
| | \$ | \$ |
| Note 15B: Net Income and Expense from Financial Assets | | |
| Held-to-maturity | | |
| Interest revenue | 25,384 | 1 |
| Exchange gains/(loss) | - | - |
| Impairment | - | - |
| Gain/loss on disposal | - | - |
| Net gain/(loss) held-to-maturity | - | - |
| Loans and receivables | | |
| Interest revenue | - | - |
| Exchange gains/(loss) | - | - |
| Impairment | - | - |
| Gain/loss on disposal | - | - |
| Net gain/(loss) from loans and receivables | - | - |
| Available for sale | | |
| Interest revenue | - | - |
| Dividend revenue | - | - |
| Exchange gains/(loss) | - | - |
| Gain/loss recognised in equity | - | - |
| Amounts reversed from equity: | | |
| Impairment | - | - |
| Fair value changes reversed on disposal | - | - |
| Gain/loss on disposal | - | - |
| Net gain/(loss) from available for sale | - | - |
| Fair value through profit and loss | | |
| Held for trading: | | |
| Change in fair value | - | - |
| Interest revenue | - | - |
| Dividend revenue | - | - |
| Exchange gains/(loss) | - | - |
| Total held for trading | - | - |
| Designated as fair value through profit and loss: | | |
| Change in fair value | - | - |
| Interest revenue | - | - |
| Dividend revenue | - | - |
| Exchange gains/(loss) | - | - |
| Total designated as fair value through profit and loss | - | - |
| Net gain/(loss) at fair value through profit and loss | - | - |
| Net gain/(loss) from financial assets | - | - |

The net income/expense from financial assets not at fair value from profit and loss is \$nil (2016: \$nil).

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2017 **2016**
\$ \$

Note 15C: Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-payment by members or their employers of Membership subscriptions that could lead to a financial loss to Australasian Meat Industry Employees Union Federal and arises principally from Australasian Meat Industry Employees Union Federal's receivables.

Australasian Meat Industry Employees Union Federal deals predominately with Large employers deducting and forwarding payments on behalf of individual members. Due to the size and nature of these employers Australasian Meat Industry Employees Union Federal does not perform a formal credit assessment process however the Union does take into account past experience and other factors. The Union's policies and procedures monitor trade and other receivables for collection of members contributions on a timely basis.

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

Financial assets

| | | |
|---------------------------|------------------|--------|
| Cash and cash equivalents | 1,761,298 | 9,203 |
| Trade and other payables | 79,880 | 62,258 |
| Total | 1,841,178 | 71,461 |

Financial liabilities

| | | |
|--------------------------|---------------|-----------|
| Trade and other payables | 80,745 | 1,512,339 |
| Total | 80,745 | 1,512,339 |

In relation to the entity's gross credit risk the following collateral is held: [insert details]

Credit quality of financial instruments not past due or individually determined as impaired

| | Not Past Due Nor Impaired 2017 \$ | Past due or impaired 2017 \$ | Not Past Due Nor Impaired 2016 \$ | Past due or impaired 2016 \$ |
|------------------------------|--|---|--|---|
| Cash and cash equivalents | 1,761,298 | - | 9,203 | - |
| Trade and other receivables | 79,880 | - | 62,258 | - |
| Total | 1,841,178 | - | 71,461 | - |
| Financial liabilities | | | | |
| Trade and other payables | 80,745 | | 1,512,339 | |
| Total | 80,745 | | 1,512,339 | |

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION

NEWCASTLE & NORTHERN BRANCH – FEDERAL

ABN 65 730 047 738

Note 15D: Liquidity Risk

Liquidity risk is the risk that liquid financial assets will not be available to pay financial liabilities when they fall due. The Union has procedures in place to ensure that there is financial assets available to pay the amount due, by

- Recording the amounts payable to suppliers upon receipt of invoice,
- Monitoring the cash forecasts requirements daily and monthly,
- Depositing cash with approved financial institutions,

Collecting receivables on a timely basis

Note 15E: Market Risk

Interest rate risk

Interest rate risk arises when a change in interest rates will affect cash flows in the future. Based on the movement in cash rate from June 2012 3.50 to June 2017 1.50 the sensitivity analysis has been calculated using a variance of 2%. The union's exposure remains to cash invested with financial institutions.

Sensitivity analysis of the risk that the entity is exposed to for 2017

| | Risk variable | Change in risk variable % | Effect on | |
|--------------------|---------------|---------------------------|-----------------|----------|
| | | | Profit and loss | Equity |
| | | | \$ | \$ |
| Interest rate risk | - | [+ 2%] | 35,226 | 35,226 |
| Interest rate risk | - | [- 2%] | (35,226) | (35,226) |

Sensitivity analysis of the risk that the entity is exposed to for 2016

| | Risk variable | Change in risk variable % | Effect on | |
|--------------------|---------------|---------------------------|-----------------|--------|
| | | | Profit and loss | Equity |
| | | | \$ | \$ |
| Interest rate risk | - | [+ 2%] | 184 | 184 |
| Interest rate risk | - | [-2%] | (184) | (184) |

[Where the sensitivity analysis is not representative of the risk inherent in a financial instrument— an entity discloses this fact and the reasons why]

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Note 16 Fair Value Measurement

Note 16A: Financial Assets and Liabilities

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

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 30 June 2017 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30 June 2017 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The following table contains the carrying amounts and related fair values for the reporting unit's financial assets and liabilities:

| | Carrying amount 2017 \$ | Fair value 2017 \$ | Carrying amount 2016 \$ | Fair value 2016 \$ |
|------------------------------|--|---------------------------------------|--|---------------------------------------|
| Financial Assets | | | | |
| Cash and cash equivalent | 1,761,298 | 1,761,298 | 9,203 | 9,203 |
| Trade and other receivables | 79,880 | 79,880 | 62,258 | 62,258 |
| Total | 1,841,178 | 1,841,178 | 71,461 | 71,461 |
| Financial Liabilities | | | | |
| Trade and other payables | 80,745 | 80,745 | 1,512,339 | 1,512,339 |
| Total | 80,745 | 80,745 | 1,512,339 | 1,512,339 |

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Note 16B: Financial and Non-financial Assets and Liabilities Fair Value Hierarchy

The following tables provide an analysis of financial and non-financial assets and liabilities that are measured at fair value, by fair value hierarchy.

Fair value hierarchy – 30 June 2017

| | Date of valuation | Level 1 | Level 2 | Level 3 |
|---|------------------------------|------------------|----------------|----------------|
| Assets measured at fair value | | \$ | \$ | \$ |
| Cash and cash equivalent | | 1,761,298 | | |
| Trade/other receivables | | 79,880 | | |
| Total | 30.06.17 | 1,841,178 | | |
| Liabilities measured at fair value | | | | |
| Trade and other payables | | 80,745 | | |
| Total | 30.06.17 | 80,745 | | |

Fair value hierarchy – 30 June 2016

| | Date of valuation | Level 1 | Level 2 | Level 3 |
|---|------------------------------|------------------|----------------|----------------|
| Assets measured at fair value | | \$ | \$ | \$ |
| Cash and cash equivalent | | 9,203 | | |
| Trade/other receivables | | 62,258 | | |
| Total | 30.06.16 | 71,461 | | |
| Liabilities measured at fair value | | | | |
| Trade/other payables | | 1,512,339 | | |
| Total | 30.06.16 | 1,512,339 | | |

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION

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Note 17 Section 272 *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 provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

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



9 August 2017

Mr Grant Courtney
Branch Secretary
Newcastle and Northern Branch
The Australasian Meat Industry Employees' Union
By Email: grant.courtney@meatworker.com.au

Dear Mr Courtney,

**Re: Lodgement of Financial Report - [FR2017/175]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Australasian Meat Industry Employees' Union, The Newcastle and Northern Branch (the reporting unit) ended on 30 June 2017. This is a courtesy letter to remind you of the reporting unit's obligations regarding financial reporting.

Loans Grants and Donations Statement

The reporting unit is required to lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 of the RO act requires this statement to be lodged with Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2017.

The attached fact sheet *Loans Grants and Donations* (FS 009) summarises the requirements of the Loans Grants and Donations Statement. A sample statement of loans, grants or donations is available on our [website](#).

It should be noted that s.237 is a civil penalty provision. If a loan, grant or donation over \$1000 has been made, failure to lodge a statement of loans, grants and donations (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Financial report

The RO Act sets out a particular chronological order in which your financial report must be prepared, audited, provided to members, presented to a meeting and then lodged with the ROC. The attached document *Summary of Financial Reporting timelines* (FS 008) summarises these requirements.

We emphasise that the reporting unit is required to present its audited financial report to a meeting (either of members or of the committee of management, depending on your rules) no later than 31 December 2017 (s.266). The full financial report must be lodged with the ROC within 14 days of that meeting (s.268).

When assessing your financial report, we will continue to focus closely on timelines as well as how loans, grants and donations are reported. The financial report must break down the amounts of grants and donations and these figures will be compared to the loans, grants and donations statement (see attached *Loans Grants and Donations* fact sheet FS 009).

You can visit our website for more information regarding [financial reporting](#), and fact sheets regarding [financial reporting processes and requirements](#). A model set of financial statements developed by the

ROC is also available on our website. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards.

It should be noted that s.268 of the RO Act is a civil penalty provision. Failure to lodge the full financial report (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention (s.268).

Auditor's report

When assessing the financial report we will also focus on the structure and content of the auditor's report to ensure that it complies with the revisions made to the Auditing Standards which came into effect from 15 December 2016. Please find below a guidance note *Illustrative Auditor's Report* (GN 004) relating to these requirements (which can also be located on our website).

REMINDER

YOUR AUDITOR MUST BE REGISTERED (s.256)

You must ensure that your auditor is registered by the Registered Organisations Commissioner. A list of registered auditors is available on our [website](#).

Contact

Should you require any clarification in relation to the above, please email regorgs@roc.gov.au.

Yours faithfully,

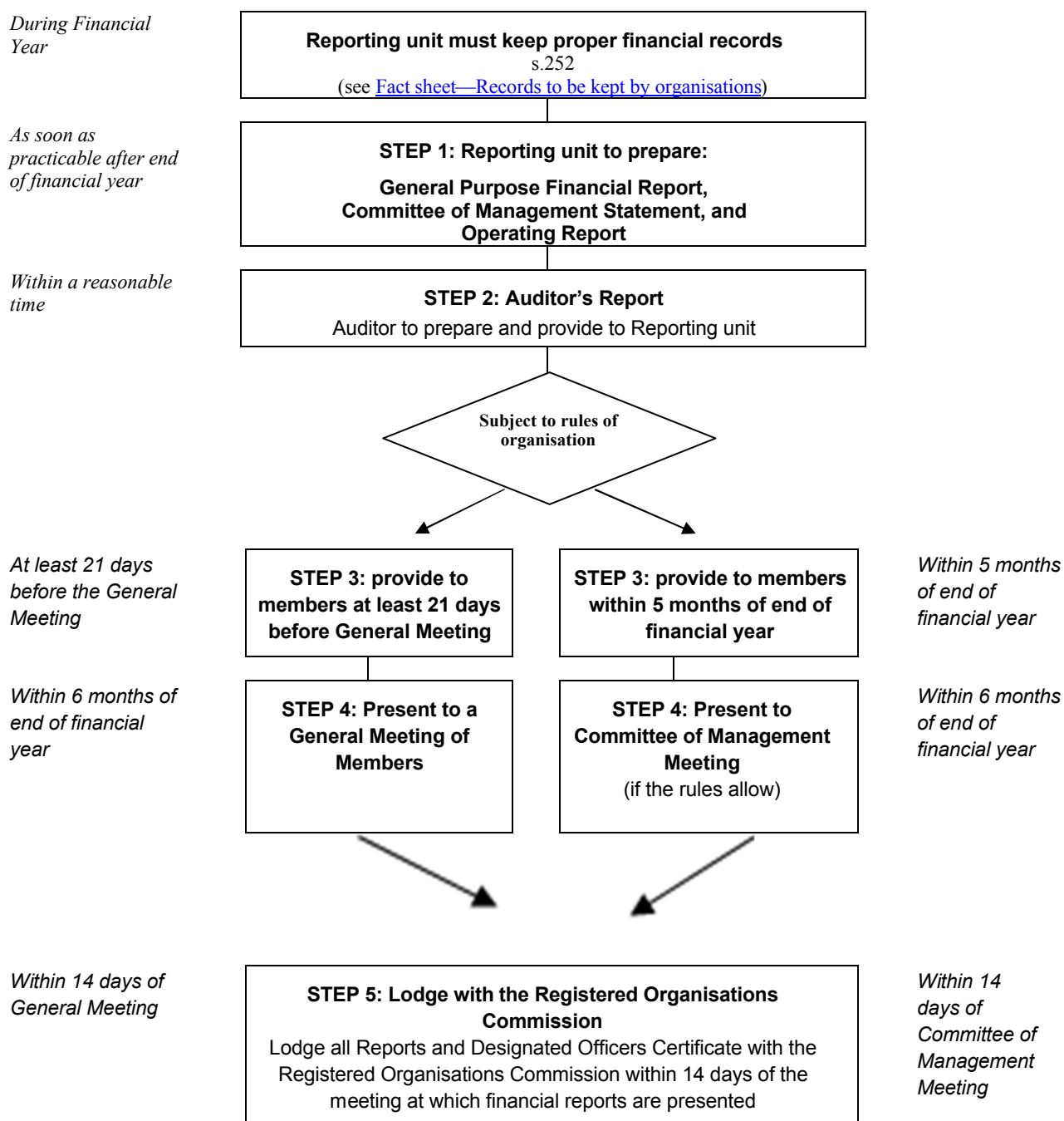
Carolyn Moloney
Registered Organisations Commission



Fact sheet

Summary of financial reporting timelines – s.253 financial reports

See Fact sheet—Financial reporting for an explanation of each of these steps.





Fact sheet

Loans, Grants & Donations

The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the Commissioner's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

The Loans, Grants & Donations Statement

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceeds \$1000. The following information must be supplied to the Registered Organisations Commission (the ROC) for each relevant loan, grant or donation:





- the amount,
- the purpose,
- the security (if it is a loan),
- the name and address of the person to whom it was made,* and
- the arrangements for repaying the loan.*



*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the ROC has a [Template Loans, Grants and Donations Statement](#) on its website. The ROC encourages branches and organisations to lodge the statement even if all of the figures are NIL.

Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

| Misconception | Requirement |
|--|--|
|  Only reporting units must lodge the Statement. |  All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches. |
|  Employees can sign the Statement. |  The statement must be signed by an elected officer of the relevant branch. |

| | | | |
|---|---|--|---|
|  | Statements can be lodged with the financial report. |  | The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late. |
|---|---|--|---|

Grants & Donations within the Financial Report

Item 16(e) of the Commissioner's Reporting Guidelines requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines. In the [ROC's Model Statements](#) the note appears as follows:

Note 4E: Grants ~~OR~~ donations*

| Grants: | [Current year] | [Previous year] |
|--------------------------------------|----------------|-----------------|
| Total paid that were \$1,000 or less | - | - |
| Total paid that exceeded \$1,000 | - | - |
| Donations: | | |
| Total paid that were \$1,000 or less | - | - |
| Total paid that exceeded \$1,000 | - | - |
| Total grants or donations | - | - |

The Commissioner's Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

Implications for filing the Financial Report

During their review of the financial report staff of the ROC may confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their last financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the website.

Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the ROC on regorgs@roc.gov.au



Guidance Note

Illustrative Auditor's Report under section 257 of the *Fair Work (Registered Organisations) Act 2009*

Prepared and issued by the Registered Organisations Commission

| Version | Date published |
|----------------|-----------------------|
| 1 | 4 August 2017 |

1. Introduction

The purpose of this guidance note is to provide Registered Organisations with guidance on the revised Australian Auditing Standard ASA 700 *Forming an Opinion and Reporting on a Financial Report* (ASA 700), as issued by the Auditing and Assurance Standards Board ('AUASB').

An 'Illustrative Auditor's Report' is included to assist Registered Organisations to understand the new auditing requirements.

2. Background to the revised Auditing Standard

From 15 December 2016, the structure of the Auditor's Report changed as a result of revisions made to the Australian Auditing Standards (ASAs). The changes impact all auditors' reports prepared in accordance with the ASAs.

The purpose of the change is to:

- enhance the communicative value of the Auditor's Report;
- give prominence to the most important matters by re-ordering the content;
- enhance reporting on going concern matters (if applicable), and provide enhanced descriptions of the respective responsibilities of management and the auditor, in relation to going concern;
- provide an affirmative statement on auditor's independence and fulfilment of relevant ethical responsibilities;
- provide more information to users on the auditor's responsibilities, and the key features of an audit and;
- provide details of other information the auditor has received at the date of the Auditor's Report, and is expected to receive after the date of the Auditor's Report¹.

3. Key changes included in the illustrative Auditor's Report

| Description | Auditing standard ref. | Comments |
|--|------------------------|---|
| Structure of the auditor's report | ASA 700.21-52 | The form and structure of the audit report have been reorganised due to changes in the Australian Auditing Standards. |
| Basis for opinion | ASA 700.28c | Requires references in the audit report to the applicable ethical standards e.g. APES 110 <i>Code of Ethics for Professional Accountants</i> . |
| Other information | ASA 700.32 ASA 720 | ASA 720 now requires that the auditor 'read and consider' if the Other Information (including but not limited to the Operating Report) is materially inconsistent with the financial statements, or the auditor's knowledge obtained in the audit. |
| Committee of Management's responsibilities for the preparation of the financial report | ASA 700.33-36 | ASA 700.34b has been added to reflect changes made in ASA 570. The changes emphasise that it is management's responsibility for assessing whether the use of the going concern assumption is appropriate. The auditors' roles and responsibilities related to going concern have not changed. |
| Auditor's responsibilities for the audit of the financial report | ASA 700.37-40 | These paragraphs have been expanded to clarify the detailed nature and scope of the auditor's existing responsibilities and procedures, and to make an explicit relationship of material misstatements to fraud or error. |
| Report on other legal and | ASA 700.43-45 | This section is only applicable if there are other matters to report as required by other legislation. |

¹ Adapted from 'Auditor Reporting FAQs' – Auditing and Assurance Standards Board - <http://www.auasb.gov.au/Publications/Auditor-Reporting-FAQs.aspx>

| Description | Auditing standard ref. | Comments |
|-------------------------|------------------------|---|
| regulatory requirements | | <p>Under sections 257(6) and (7) of the <i>Fair Work (Registered Organisations) Act 2009</i> ('RO Act'), the auditor is required to report on any instances of non-compliance or deficiency or shortcoming with respect to financial record-keeping, and section 257(2) of the RO Act requires auditors to report on access restrictions to the financial records of the organisation.</p> <p>This section is not required if there are no matters to report.</p> |

4. Key changes not reflected in the illustrative Auditor's Report

| Description | Auditing standard ref. | Comments |
|-------------------|-------------------------------|--|
| Key Audit Matters | ASA 700.30-31, A41 ASA 701 | <p>ASA 701 provides additional disclosures for entities listed on a securities exchange to communicate key audit matters ('KAMs') in the auditor's report. KAMs are those matters that, in the auditor's judgement, are of most significance to the audit of the financial statements of the current financial period.</p> <p>At this point in time, the ROC does not require the inclusion of KAMs.</p> |

The numbered references in the Illustrative Auditor's Report refer to the explanatory paragraphs in section 5 of this Guidance Note 'Illustrative Auditor's Notes'. The Illustrative Auditor's Report is also included in the 'Model Financial Statements' published on the Registered Organisations Commission's website.

<To be printed on Auditor letterhead>

Independent Audit Report to the Members of <name of Reporting Unit>

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of <name of Reporting Unit> (the Reporting Unit), which comprises the statement of financial position² as at <balance date>, the statement of comprehensive income³, statement of changes in equity⁴ and statement of cash flows⁵ for the year ended <date>, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management⁶ Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of <name of Reporting Unit> as at <balance date>, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

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

Basis for Opinion

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Information Other than the Financial Report and Auditor's Report Thereon⁷

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

² Refer to paragraph 9 in Section 5 Illustrative Auditor's Report Notes in this Guidance Note

³ Ibid paragraph 9

⁴ Ibid paragraph 9

⁵ Ibid paragraph 9

⁶ Ibid paragraph 10; note if this is changed to another descriptor all other references in the Report should be changed to the other descriptor

⁷ Ibid paragraph 7

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

I communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I declare that I am an approved auditor, a member of [name of appropriate professional accounting body] and hold a current Public Practice Certificate.

[Report on Other Legal and Regulatory Requirements]⁸

[In accordance with the requirements of section 257(7) of the RO Act, I am required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act.

My opinion on the financial report is not modified in respect of the following matter(s) because, in my opinion, it has been appropriately addressed by [Reporting Unit] and is not considered material in the context of the audit of the financial report as a whole:

[Example:

a) [Reporting Unit] failed to keep [name of other record] as required by section 252 of the RO Act for the period 1 July 20XX to 4 July 20XX inclusive.]]

[Report on the Recovery of Wages Activity financial report]⁹

Opinion on the recovery of wages activity financial report

The scope of my work extended to the recovery of wages activity and I have audited the recovery of wages activity financial report for the year ended <date>.

In my opinion, the financial statements and notes and recovery of wages activity financial report properly and fairly report all information required by the reporting guidelines of the General Manager, including:

- (a) any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
- (b) any donations or other contributions deducted from recovered money.

Responsibilities

The Committee of Management is responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with the reporting guidelines of the General Manager. My responsibility is to express an opinion on the recovery of wages activity financial report, based on my audit conducted in accordance with Australian Auditing Standards.

<Audit Firm Name>

<Name>

Partner

⁸ Ibid paragraph 11

⁹ Ibid paragraph 11

<City>
<Date>

Registration number (as registered by the RO Commissioner under the RO Act)¹⁰: <insert number>

¹⁰ Ibid paragraph 12

5. Illustrative Auditor's Report Notes

For the purpose of this illustrative Auditor's Report, the following circumstances are assumed:

1. The financial report is prepared by management of the Reporting Unit in accordance with Australian Accounting Standards and the RO Act.
2. The terms of the audit engagement reflect the description of management's responsibility for the financial report in *ASA 210 Agreeing the Terms of Audit Engagements*.
3. The auditor has concluded an unmodified opinion is appropriate based on the audit evidence obtained.
4. The relevant ethical requirements that apply to the audit are the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants*.
5. Based on the audit evidence obtained, the auditor has concluded that a material uncertainty does not exist related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern in accordance with *ASA 570 Going Concern*.
6. The auditor is not required, and has otherwise not decided, to communicate key audit matters in accordance with *ASA 701 Communicating Key Audit Matters in the Independent Auditor's Report*.
7. The section on 'Information Other than the Financial Report and Auditor's Report Thereon' is customised depending on the nature of the Other Information received and when this information was received. The template provided assumes that the nature of the Other Information is the Operating Report and that it was received on or before the date of the audit report. If there is Other Information that accompanies the financial report in addition to the Operating Report, or if the Operating Report or any additional Other Information was not received on or before the date of the audit report, please refer to the requirements stated in *ASA 720 The Auditor's Responsibilities Relating to Other Information* for example wording.
8. The subheading 'Report on Other Legal and Regulatory Requirements' is only applicable where the auditor includes 'Other reporting responsibilities' in accordance with *ASA 700 Forming an Opinion and Reporting on a Financial Report*. Please delete the 'Report on Other Legal and Regulatory Requirements' section if there is no deficiency, failure or shortcoming to report.
9. Please ensure that the financial statement descriptions used in the Auditor's Report agree with those used in the financial report, for example, 'balance sheet' or 'statement of financial position'.
10. Use of 'Committee of Management' in the model auditor's report represents those charged with governance for the registered organisation, and can be replaced with other descriptors as appropriate for the organisation, for example, 'Council of Management', 'Executive Committee', etc.
11. If the Registered Organisation has not undertaken any recovery of wages activity during the reporting period the auditor's report should state that fact with reference

to the Committee of Management Statement, and no opinion can be provided in relation to recovery of wages activity.

12. Auditors must be registered by the Registered Organisations Commissioner. Your registration number under the RO Act will commence with the letters 'AA'.

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This guidance note is not intended to be comprehensive. It is designed to assist with making an application to the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice.