



19 February 2020

Patricia Fernandez  
Secretary-Treasurer  
The Australasian Meat Industry Employees' Union - New South Wales Branch

Sent via email: [pfernandez@amieu.asn.au](mailto:pfernandez@amieu.asn.au)

CC: [akent@mqisa.com.au](mailto:akent@mqisa.com.au)

Dear Patricia Fernandez,

**The Australasian Meat Industry Employees' Union - New South Wales Branch  
Financial Report for the year ended 30 June 2019 – (FR2019/156)**

I acknowledge receipt of the financial report for the year ended 30 June 2019 for the Australasian Meat Industry Employees' Union - New South Wales Branch. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 19 December 2019.

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 (**RGs**) 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 2020 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. 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**

Officer's declaration statement – to include all nil activity disclosures not elsewhere disclosed

Item 21 of the RGs states that if any of the activities identified within items 10-20 of the RGs have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. I note that the officer's declaration statement includes the following nil activity disclosures for which there was already an equivalent form of disclosure in the body of the notes:

- "Agree to receive financial support from another reporting unit to continue as a going concern" and "agree to provide financial support to another reporting unit to ensure they continue as a going concern" are disclosed in both Note 1.19 and the officer's declaration statement;

- “Pay a grant that was \$1,000 or less” and “pay a grant that exceeded \$1,000” are disclosed in both Note 4E and the officer’s declaration statement;
- “Have a payable with another reporting unit” is disclosed twice in the officer’s declaration statement; and
- “Have a payable in respect of legal costs relating to litigation” is disclosed in both Note 7B and the officer’s declaration statement.

Please note that nil activities only need to be disclosed once.

#### Inconsistency in disclosure of financial information

Note 6A *Loans Receivable* discloses Loans to other reporting units (AMIEU-SAWA branch) of \$15,000 for 2019 financial year (2018:\$15,000). The officer’s declaration statement, however includes a nil disclosure of having a receivable with another reporting unit.

In future years, please ensure that items within the financial report are disclosed consistently.

#### **Reporting Requirements**

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 RGs and a model set of financial statements.

The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 RGs and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0764 or via email at [kylie.ngo@roc.gov.au](mailto:kylie.ngo@roc.gov.au).

Yours sincerely,



**Kylie Ngo**  
**Registered Organisations Commission**

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**

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

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**

Certificate for the period ended 30 June 2019

I Patricia Fernandez being the Secretary / Treasurer of the Australasian Meat Industry Employees Union – New South Wales certify:

- that the documents lodged herewith are copies of the full report for the Australasian Meat Industry Employees Union – New South Wales for the period ended 30 June 2019 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 16 August 2019; and
- that the full report was presented a meeting of the committee of management of the reporting unit on 11 December 2019 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.



Signature of prescribed designated officer: .....

Name of prescribed designated officer: Patricia Fernandez

Title of prescribed designated officer: Secretary / Treasurer

Dated: 19 December 2019

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**

**ABN 89 738 670 685**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2019**

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**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**  
**COMMITTEE OF MANAGEMENT’S OPERATING REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**Operating Report**

In accordance with section 254 of the *Fair Work (Registered Organisations) Act 2009* (“Act”) the Committee of Management (“the Committee”) presents its Operating Report on the Australasian Meat Industry Employees Union – New South Wales Branch (“the Branch”), for the year ended 30 June 2019.

**Principal Activities**

The principal activity of the Australasian Meat Industry Employees Union – New South Wales Branch is to uphold the rights of organisation of labour and to improve protect and foster the best interest of its members and to subscribe to and/ or co-operate with policy of improving the cultural and living standards of its members. The Branch maintains living standards of its members through enterprise bargaining and industrial representation on behalf its members.

**Operating Results**

The deficit for the financial year amounted to \$601,077 (2018 surplus: \$891,010). The surplus for the year ended 30 June 2018 was significantly impacted by the sale of the building located at Unit 3, 190 George St, Parramatta. The gain on sale of the building amounted to \$1,379,571.

**Significant Changes in Financial Affairs**

A review of the operations of the Branch during the financial year found that there was no significant change in the financial affairs of the Branch’s operations during the year.

**After Balance Date Events**

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

**Future Developments**

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

**Environmental Issues**

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

**Members Right to Resign**

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

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**  
**COMMITTEE OF MANAGEMENT'S OPERATING REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**Membership of the Branch**

Total number of members as at 30 June 2019: 4,488.

**Employees of the Branch**

The number of persons who were, at the end of the period to which the report relates, employees of the Branch, where the number of employees includes both full-time and part-time employees measured on a full-time equivalent basis is 12.0.

**Members of the Committee of Management**

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

<b>Name</b>	<b>Period of Appointment</b>	<b>Position</b>
Deborah Hart	01/07/18 – 30/06/19	President
Glen Meylan	01/07/18 – 30/06/19	Vice President
Patricia Fernandez	01/07/18 – 30/06/19	Secretary – Treasurer
Stephen Aquilina	01/07/18 – 30/06/19	Organiser
Christopher Clark	01/07/18 – 30/06/19	Organiser
Michael Holden	01/07/18 – 30/06/19	Organiser
Mark Perkins	01/07/18 – 30/06/19	Organiser
Diana Sully	01/07/18 – 30/06/19	Organiser
Bradley Bourke	01/07/18 – 30/06/19	Committee Member
Grant Bowling	01/07/18 – 30/06/19	Committee Member
Rebecca Dirickx	01/07/18 – 30/06/19	Committee Member
David Knapp	01/07/18 – 30/06/19	Committee Member
Joe Majnaric	01/07/18 – 30/06/19	Committee Member
Faith Montecillo	01/07/18 – 12/12/18	Committee Member
Carl Nash	01/07/18 – 15/04/19	Committee Member
Stephen Niumata	01/07/18 – 30/06/19	Committee Member
Millicent Noa	01/07/18 – 30/06/19	Committee Member
Nive Pologa	01/07/18 – 30/06/19	Committee Member
Anthony Somerville	01/07/18 – 30/06/19	Committee Member
Troy Yabsley	01/07/18 – 30/06/19	Committee Member

**Indemnifying Officers or Auditors**

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

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

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**  
**COMMITTEE OF MANAGEMENT’S OPERATING REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**Officers or Members who are Superannuation Fund Trustees/ Directors of a Company that is a Superannuation Fund Trustee**


Those who hold a position of trustee or director of an entity, scheme or company as described in s.254 (2) (d) of the *Fair Work (Registered Organisations) Act 2009*, where a criterion of such entity is that the holder of such position must be a member or official of a registered organisation are as follows:

- Patricia Fernandez - Member and Committee of Management Member of the Branch
- Director of the Trustee of the Meat Industry Employee’s Superannuation Fund

**Auditor’s Independence Declaration**

A copy of the auditor’s independence declaration is set out on page 6.

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

  
.....  
Patricia Fernandez  
Branch Secretary

15 August 2019

Sydney



**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE COMMITTEE OF MANAGEMENT OF THE  
AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**

As lead auditor for the audit of the Australasian Meat Industry Employees Union – New South Wales Branch for the year ended 30 June 2019; I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

*M.L.F*

**MGI Audit Pty Ltd**



**G I Kent**

Director – Audit & Assurance

Sydney

15 August 2019

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/2

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**  
**COMMITTEE OF MANAGEMENT STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2019**

On 15 August 2019, the Committee of Management of the Branch passed the following resolution to the General Purpose Financial statements (GPFR) of the reporting unit for the financial year ended 30 June 2019.

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

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with 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 Branch for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - i. meetings of the Committee of Management were held in accordance with the rules of the organisation and the rules of the Branch concerned; and
  - ii. the financial affairs of the Branch have been managed in accordance with the rules of the organisation;
  - iii. the financial records of the Branch have been kept and maintained in accordance with the *RO Act*;
  - 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 to each of the other reporting units of the organisation;
  - v. where information has been sought in any request of a member of the reporting unit or Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or Commissioner; and
  - vi. where any orders for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act there has been compliance.

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


**Name of Designated Officer:** Patricia Fernandez

**Title of Designated Officer:** Branch Secretary

**Signature:**

**Date:**

15 August 2019



## **Independent Audit Report to the Members of the Australasian Meat Industry Employees Union – New South Wales Branch**

### **Report on the Audit of the Financial Report**

#### **Opinion**

We have audited the financial report of the Australasian Meat Industry Employees Union – New South Wales Branch (the Branch), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, notes to the financial statements, including a summary of significant accounting policies; the Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Australasian Meat Industry Employees Union – New South Wales Branch as at 30 June 2019, 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 Branch 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 our report. We are independent of the Branch 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 our 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 my 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 Branch 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 Branch'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 Branch 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 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, 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 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 Branch'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 Branch'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 Branch 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 Branch to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Branch's audit. We remain solely responsible for our audit opinion.

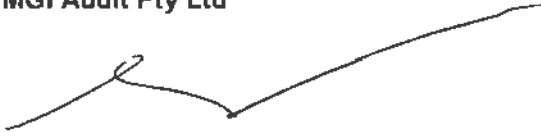
We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Declaration**

I declare that I am an approved auditor, a member of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

*A.C.F.*

**MGI Audit Pty Ltd**

A handwritten signature in black ink, appearing to read 'G I Kent', written over a horizontal line.

**G I Kent**

Director – Audit & Assurance

Sydney

15 August 2019

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/2

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	2019 \$	2018 \$
<b>Revenue</b>			
Membership subscription		1,114,139	1,206,000
Rental income		10,600	10,400
Investment income	3A	29,602	18,725
Other revenue	3B	25,638	32,489
Gain on sale of property, plant and equipment		1,790	1,379,571
Gain on revaluation of financial assets		6,508	2,938
<b>Total revenue</b>		<b>1,188,277</b>	<b>2,650,123</b>
<b>Expenses</b>			
Employee expenses	4A	(1,131,591)	(1,151,501)
Capitation fees	4B	(90,150)	(86,941)
Affiliation fees	4C	(15,870)	(30,472)
Administration expenses	4D	(345,472)	(323,461)
Grants or donations	4E	(5,082)	(2,401)
Depreciation	4F	(115,743)	(85,875)
Legal costs	4G	(69,536)	(53,972)
Audit and accounting fees	4H	(15,910)	(24,490)
<b>Total expenses</b>		<b>(1,789,354)</b>	<b>(1,759,113)</b>
<b>(Deficit)/ surplus for the year</b>		<b>(601,077)</b>	<b>891,010</b>
<b>Other comprehensive income</b>			
Other Comprehensive income (net of income tax)		-	-
<b>Total comprehensive income for the year</b>		<b>(601,077)</b>	<b>891,010</b>

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

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2019**

	Notes	2019 \$	2018 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5A	1,930,552	2,339,429
Trade and other receivables	5B	67,754	73,552
<b>Total current assets</b>		<b>1,998,306</b>	<b>2,412,981</b>
<b>Non-Current Assets</b>			
<b>Loans receivable</b>	6A	15,000	15,000
Investments	6B	507,781	501,272
Furniture and fittings	6C	11,348	26,219
Computer software	6D	14,033	21,532
Motor vehicles	6E	89,074	115,000
Land and Buildings	6F	3,103,098	3,150,998
<b>Total non-current assets</b>		<b>3,740,334</b>	<b>3,830,021</b>
<b>Total assets</b>		<b>5,738,640</b>	<b>6,243,002</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
<b>Trade payables</b>	7A	25,774	35,350
Other payables	7B	64,710	48,907
Employee provisions	8A	610,699	558,151
<b>Total current liabilities</b>		<b>701,183</b>	<b>642,408</b>
<b>Non-Current Liabilities</b>			
Employee provisions	8A	80,888	42,948
<b>Total non-current liabilities</b>		<b>80,888</b>	<b>42,948</b>
<b>Total liabilities</b>		<b>782,071</b>	<b>685,356</b>
<b>Net assets</b>		<b>4,956,569</b>	<b>5,557,646</b>
<b>EQUITY</b>			
<b>Retained earnings</b>		<b>4,956,569</b>	<b>5,557,646</b>
<b>Total equity</b>		<b>4,956,569</b>	<b>5,557,646</b>

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

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	Retained earnings \$	Total equity \$
<b>Balance as at 1 July 2017</b>		4,666,636	4,666,636
Surplus for the year		891,010	891,010
Other comprehensive income		-	-
<b>Closing balance as at 30 June 2018</b>		<u>5,557,646</u>	<u>5,557,646</u>
Deficit for the year		(601,077)	(601,077)
Other comprehensive income		-	-
<b>Closing balance as at 30 June 2019</b>		<u>4,956,569</u>	<u>4,956,569</u>

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



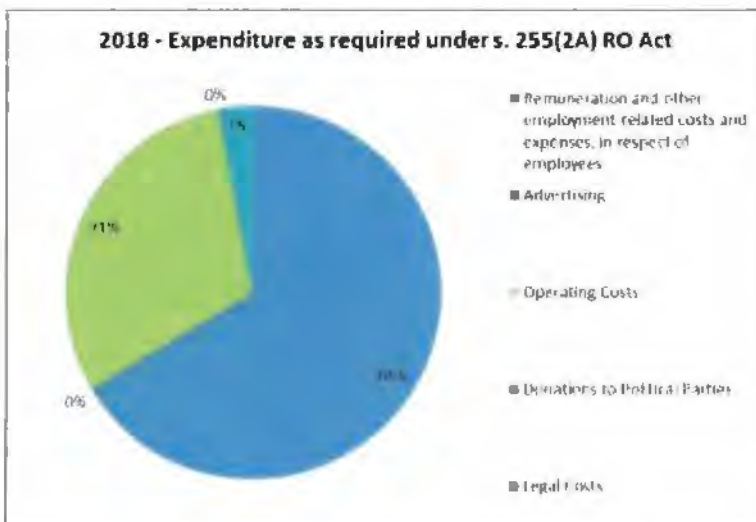
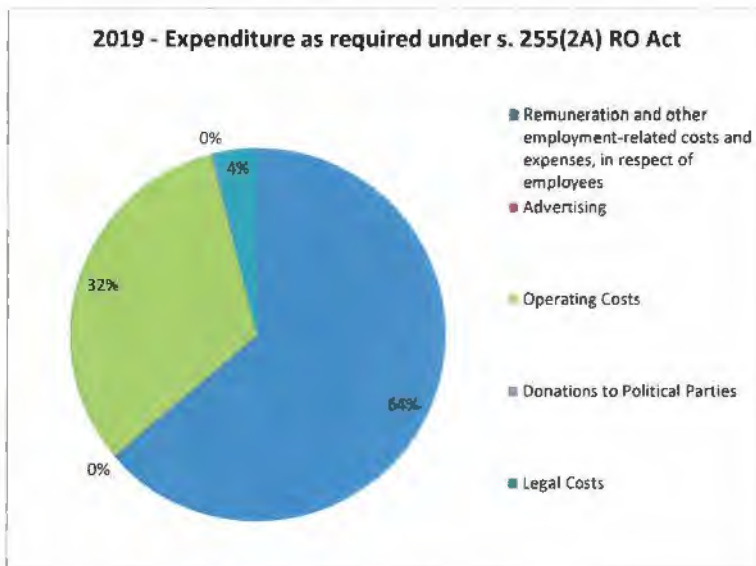
**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	2019 \$	2018 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Receipts from members and other customers		1,274,774	1,306,705
Investment cash flows		29,602	18,725
		<u>1,302,376</u>	<u>1,325,430</u>
<b>Cash used</b>			
Employees and suppliers		(1,577,203)	(1,583,796)
Payment to other reporting units	9B	(116,292)	(100,918)
		<u>(1,693,495)</u>	<u>(1,684,714)</u>
<b>Net cash used in operating activities</b>		<u>(391,119)</u>	<u>(359,284)</u>
<b>INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		(32,759)	(41,503)
Proceeds from sale of property, plant and equipment		15,001	1,939,375
<b>Net cash (used in) by/ provided investing activities</b>		<u>(17,758)</u>	<u>1,897,872</u>
<b>FINANCING ACTIVITIES</b>			
		-	-
<b>Net (decrease) / increase in cash held</b>		<u>(408,877)</u>	<u>1,538,588</u>
Cash & cash equivalents at the beginning of the reporting period		2,339,429	800,841
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	5A	<u>1,930,552</u>	<u>2,339,429</u>

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

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES COUNCIL  
 REPORT REQUIRED UNDER SUBSECTION 255(2A) OF THE FAIR WORK (REGISTERED  
 ORGANISATIONS) ACT 2009  
 FOR THE YEAR ENDED 30 JUNE 2019**

The Committee of Management presents the expenditure report as required under subsection 255(2A) of the *Fair Work (Registered Organisations) Act 2009* on the Branch for the year ended 30 June 2019:



*Patricia Fernandez*  
 Patricia Fernandez  
 Branch Secretary

15 August 2019

Sydney

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

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## AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

#### 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 – New South Wales Branch (the Branch) 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.

###### Key Estimates

###### *Impairment – general*

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

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

###### Key Judgements

###### *Useful lives of plant and equipment*

Plant and equipment are depreciated over the useful life of the asset and the depreciation rates are assessed when the asset are acquired or when there is a significant change that affects the remaining useful life of the asset.

###### *Provision for impairment of receivables*

The value of the provision for impairment of receivables is estimated by considering the ageing of receivables, communication with the debtors and prior history.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**Note 1 Summary of significant accounting policies (Continued)**

**1.4 New Australian Accounting Standards**

***Adoption of New Australian Accounting Standard requirements***

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 9 Financial Instruments and relevant amending standards, which replaces AASB 139 Financial Instruments: Recognition and Measurement.

**Impact on adoption of AASB 9**

**(a) Initial application**

AASB 9 *Financial Instruments* (**AASB 9**) replaces AASB 139 *Financial Instruments: Recognition and Measurement* (**AASB 139**) for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Branch has applied AASB 9 retrospectively, with an initial application date of 1 July 2018.

The adoption of AASB 9 did not have any material impact on the amount disclosed in the comparative financial year.

**1.4 Future Australian Accounting Standards Requirements**

- AASB 1058 Income of Not-for-Profit Entities (AASB 1058) and AASB 15 Revenue from Contracts with Customers (AASB 15)

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15 Revenue from Contracts with Customers. These Standards supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions.

Under AASB 1058, the timing of income recognition depends on whether a NFP transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity.

This standard applies when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. In the latter case, the entity will recognise and measure the asset at fair value in accordance with the applicable Australian Accounting Standard (e.g. AASB 116 Property, Plant and Equipment).

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**Note 1 Summary of significant accounting policies (Continued)**

**1.4 Future Australian Accounting Standards Requirements (Continued)**

Upon initial recognition of the asset, AASB 1058 requires the entity to consider whether any other financial statement elements (called 'related amounts') should be recognised, such as:

- Contributions by owners;
- Revenue, or a contract liability arising from a contract with a customer;
- A lease liability;
- A financial instrument; or
- A provision.

These related amounts will be accounted for in accordance with the applicable Australian Accounting Standard.

The Branch is yet to undertake a detailed assessment of the impact of AASB 1058 and AASB 15. However, based on the Branch's preliminary assessment, the Standards are not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopts for the year ending 30 June 2020.

- AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019)

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases. The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The Committee of Management does not believe the effects of AASB 16 will significantly affect the Branch.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**Note 1 Summary of significant accounting policies (Continued)**

**1.5 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.

**1.6 Gains**

***Sale of assets***

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

**1.7 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.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**Note 1 Summary of significant accounting policies (Continued)**

**1.8 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.

**1.9 Leases**

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.

**1.10 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.



**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**Note 1 Summary of significant accounting policies (Continued)**

**1.11 Financial instruments**

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

**1.12 Financial assets**

**Initial recognition and Measurement**

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Branch's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Branch initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Branch's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Branch commits to purchase or sell the asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**Note 1 Summary of significant accounting policies (Continued)**

**1.12 Financial assets (Continued)**

**Financial assets at amortised costs**

The reporting unit measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Branch's financial assets at amortised cost includes trade receivables and loans to related parties.

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

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**Note 1 Summary of significant accounting policies (Continued)**

**1.12 Financial assets (Continued)**

**Derecognition**

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Branch has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - a) The Branch has transferred substantially all the risks and rewards of the asset, or
  - b) the Branch has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Branch has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Branch continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

**Offsetting**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**Impairment**

**(i) Trade receivables**

For trade receivables that do not have a significant financing component, the Branch applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the Branch does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Branch has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**Note 1 Summary of significant accounting policies (Continued)**

**1.12 Financial assets (Continued)**

**(ii) Debt instruments other than trade receivables**

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the Branch recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Branch expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).
- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The Branch considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Branch may also consider a financial asset to be in default when internal or external information indicates that the Branch is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**1.13 Financial Liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss. All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

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

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**Note 1 Summary of significant accounting policies (Continued)**

**1.13 Financial Liabilities (Continued)**

***Subsequent Measurement***

**Financial liabilities at fair value through profit or loss (including designated)**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied.

**Financial liabilities at amortised cost**

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**Note 1 Summary of significant accounting policies (Continued)**

**1.14 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.

**1.15 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.

***Depreciation***

Depreciable 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.

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

Motor Vehicles	4 years
Buildings	40 years
Fixtures and Fittings	1 – 3 years
Office Equipment	3 years

***Derecognition***

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of 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.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**Note 1 Summary of significant accounting policies (Continued)**

**1.16 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 Branch were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

**1.17 Taxation**

The Branch 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:

- 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.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**1.18 Fair value measurement**

The Branch 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 14.

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 Branch. 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 Branch 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.



**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**Note 1 Summary of significant accounting policies (Continued)**

**1.18 Fair value measurement (continued)**

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Branch 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 Branch 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.

**1.19 Going concern**

The Branch is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

The Branch has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**Note 2 Events after the reporting period**

There were no events that occurred after 30 June 2019, and /or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Branch.

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>

**Note 3 Income**

**Note 3A: Investment income**

Interest income	<b>28,984</b>	18,161
Dividend income	<b>618</b>	564
<b>Total interest</b>	<b>29,602</b>	<b>18,725</b>

**Note 3B: Other revenue**

Directors fees	-	5,666
Sundry income	<b>25,638</b>	26,823
Financial support from another reporting unit	-	-
<b>Total other revenue</b>	<b>25,638</b>	<b>32,489</b>

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
<b>Note 4 Expenses</b>		
<b>Note 4A: Employee expenses</b>		
<b>Holders of office:</b>		
Wages and salaries	469,722	482,895
Superannuation	88,889	82,092
Leave and other entitlements	123,304	157,240
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses holders of office</b>	<b>681,915</b>	<b>722,227</b>
<b>Employees other than office holders:</b>		
Wages and salaries	334,185	360,722
Superannuation	74,564	31,314
Leave and other entitlements	40,927	20,309
Separation and redundancies	-	-
Other employee expenses	-	16,929
<b>Subtotal employee expenses employees other than office holders</b>	<b>449,676</b>	<b>429,274</b>
<b>Total employee expenses</b>	<b>1,131,591</b>	<b>1,151,501</b>
<b>Note 4B: Capitation fees</b>		
Australasian Meat Industry Employees Union – Federal Council	90,150	86,941
<b>Total capitation fees</b>	<b>90,150</b>	<b>86,941</b>
<b>Note 4C: Affiliation fees</b>		
Australian Labor Party (New South Wales Branch)	-	14,855
Unions NSW	14,387	14,594
Unions ACT	-	750
ACTU Member Connect	-	273
NSW Labor Left	145	-
Union Shopper	750	-
Workers Health Centre	588	-
<b>Total affiliation fees</b>	<b>15,870</b>	<b>30,472</b>

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2019**

	2019	2018
	\$	\$
<b>Note 4D: Administration and other operating expenses</b>		
Compulsory levies		
Australasian Meat Industry Employees Union – Federal Council	14,547	-
Payroll tax	8,884	15,804
Fringe benefits tax	2,806	1,371
Meetings and conference expenses	17,010	8,710
Property expenses	36,571	48,083
Office expenses/ other administration and other operating expenses	246,151	220,208
IT/ computer costs	19,503	29,285
<b>Total administration and other operating expense</b>	<b>345,472</b>	<b>323,461</b>

The purpose of the above levies is as follows:

AMIEU – Federal Council

The AMIEU – Federal Council raised a levy to assist in the funding of its operations.

**Note 4E: Grants or donations**

Grants:	-	-
Donations:		
Total paid that were \$1,000 or less	2,582	2,401
Total paid that exceeded \$1,000	2,500	-
<b>Total grants or donations</b>	<b>5,082</b>	<b>2,401</b>

**Note 4F: Depreciation**

Depreciation		
Furniture and Fittings	15,506	5,283
Motor Vehicles	44,838	31,499
Computer software	7,499	1,193
Buildings	47,900	47,900
<b>Total depreciation</b>	<b>115,743</b>	<b>85,875</b>

**Note 4G: Legal costs**

Litigation	-	6,139
Other legal matters	69,535	47,833
<b>Total legal costs</b>	<b>69,535</b>	<b>53,972</b>

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2019**

	2019	2018
	\$	\$
<b>Note 4H: Audit and accounting fees</b>		
External audit fees	12,300	12,000
Bookkeeping and other consultant fees	3,610	12,490
<b>Total audit and accounting fees</b>	<u>15,910</u>	<u>24,490</u>

**Note 5 Current Assets**

**Note 5A: Cash and Cash Equivalents**

Cash at bank	420,824	1,829,701
Cash on hand	200	200
Short term deposits	1,509,528	509,528
<b>Total cash and cash equivalents</b>	<u>1,930,552</u>	<u>2,339,429</u>

**Note 5B: Trade and Other Receivables**

Receivables from other reporting units		
Australasian Meat Industry Employees Union – SA/ WA Branch	-	2,263
Less provision for doubtful debts (reporting units)	-	-
<b>Receivable from other reporting units (net)</b>	<u>-</u>	<u>2,263</u>

**Other receivables:**

Accrued membership	52,438	48,436
Loans/ receivables to members (financial hardship)	10,646	17,536
Other trade receivables	4,670	5,317
<b>Total other receivables</b>	<u>67,754</u>	<u>71,289</u>
<b>Total trade and other receivables (net)</b>	<u>67,754</u>	<u>73,552</u>

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2019**

<b>Note 6</b>	<b>Non-current Assets</b>	<b>2019</b>	<b>2018</b>
		<b>\$</b>	<b>\$</b>
<b>Note 6A: Loans Receivable</b>			
Loans to other reporting units (AMIEU – SA/ WA Branch)		<b>15,000</b>	15,000
Less provision for impairment		-	-
<b>Total Loans Receivable</b>		<b>15,000</b>	<b>15,000</b>

Details of loans to other reporting units are disclosed at Note 11 – Related Party Transactions

**Note 6B: Investments**

ANZ capital notes		<b>493,620</b>	487,113
IAG shares		<b>14,161</b>	14,159
<b>Total Investments</b>		<b>507,781</b>	<b>501,272</b>

The Committee of Management's expectation is that the Branch will continue to hold onto both the ANZ capital notes and the IAG shares for a period of greater than 12 months (i.e. a non-current asset). Both investments have been designated as a fair value through profit and loss financial asset, with market gains and losses accounted through the Branch's statement of comprehensive income each year.

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
<b>Note 6C: Furniture and fittings</b>		
Furniture and fittings:		
at cost	53,224	52,589
accumulated depreciation	(41,876)	(26,370)
<b>Total furniture and fittings</b>	<b>11,348</b>	<b>26,219</b>

*Reconciliation of Opening and Closing Balances of Furniture and Fittings*

<b>As at 1 July</b>		
Gross book value	52,589	48,740
Accumulated depreciation and impairment	(26,370)	(21,087)
<b>Net book value 1 July</b>	<b>26,219</b>	<b>27,653</b>
Additions:		
By purchase	635	3,849
Depreciation expense	(15,506)	(5,283)
Disposals:		
By sale	-	-
<b>Net book value 30 June</b>	<b>11,348</b>	<b>26,219</b>
<b>Net book value as of 30 June represented by:</b>		
Gross book value	53,224	52,589
Accumulated depreciation and impairment	(41,876)	(26,370)
<b>Net book value 30 June</b>	<b>11,348</b>	<b>26,219</b>

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
<b>Note 6D: Computer software</b>		
Computer software:		
at cost	22,725	22,725
accumulated depreciation	(8,692)	(1,193)
<b>Total computer software</b>	<b>14,033</b>	<b>21,532</b>

*Reconciliation of Opening and Closing Balances of Computer Software*

<b>As at 1 July</b>		
Gross book value	22,725	-
Accumulated depreciation and impairment	(1,193)	-
<b>Net book value 1 July</b>	<b>21,532</b>	<b>-</b>
Additions:		
By purchase	-	22,725
Depreciation expense	(7,499)	(1,193)
Disposals:		
By sale	-	-
<b>Net book value 30 June</b>	<b>14,033</b>	<b>21,532</b>
<b>Net book value as of 30 June represented by:</b>		
Gross book value	22,725	22,725
Accumulated depreciation and impairment	(8,692)	(1,193)
<b>Net book value 30 June</b>	<b>14,033</b>	<b>21,532</b>



AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
<b>Note 6E: Motor Vehicles</b>		
Motor Vehicles:		
at cost	178,177	181,457
accumulated depreciation	(89,103)	(66,457)
<b>Total motor vehicles</b>	<u>89,074</u>	<u>115,000</u>

*Reconciliation of Opening and Closing Balances of Motor Vehicles*

<b>As at 1 July</b>		
Gross book value	181,457	155,637
Accumulated depreciation and impairment	(66,457)	(24,067)
<b>Net book value 1 July</b>	<u>115,000</u>	<u>131,570</u>
Additions:		
By purchase	32,123	14,929
Depreciation expense	(44,838)	(31,499)
Disposals:		
By sale	(13,211)	-
<b>Net book value 30 June</b>	<u>89,074</u>	<u>115,000</u>
<b>Net book value as of 30 June represented by:</b>		
Gross book value	178,177	181,457
Accumulated depreciation and impairment	(89,103)	(66,457)
<b>Net book value 30 June</b>	<u>89,074</u>	<u>115,000</u>

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2019**

	2019	2018
	\$	\$
<b>Note 6F: Land and Buildings</b>		
Land and buildings:		
at cost	3,198,898	3,198,898
accumulated depreciation	<u>(95,800)</u>	<u>(47,900)</u>
<b>Total land and buildings</b>	<u><u>3,103,098</u></u>	<u><u>3,150,998</u></u>

***Reconciliation of Opening and Closing Balances of Land and Buildings***

<b>As at 1 July</b>		
Gross book value	3,198,898	3,783,702
Accumulated depreciation and impairment	<u>(47,900)</u>	<u>-</u>
<b>Net book value 1 July</b>	<u>3,150,998</u>	<u>3,783,702</u>
Additions:		
By purchase	-	-
Depreciation expense	(47,900)	(47,900)
Disposals:		
By sale	-	(584,804)
<b>Net book value 30 June</b>	<u>3,103,098</u>	<u>3,150,998</u>
<b>Net book value as of 30 June represented by:</b>		
Gross book value	3,198,898	3,198,898
Accumulated depreciation and impairment	<u>(95,800)</u>	<u>(47,900)</u>
<b>Net book value 30 June</b>	<u>3,103,098</u>	<u>3,150,998</u>

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
<b>Note 7 Current Liabilities</b>		
<b>Note 7A: Trade payables</b>		
Trade creditors and accruals	25,774	34,297
<b>Subtotal trade creditors</b>	<u>25,774</u>	<u>34,297</u>
<b>Payables to other reporting units</b>		
AMIEU – Federal Council	-	1,053
<b>Subtotal payables to other reporting units</b>	<u>-</u>	<u>1,053</u>
<b>Total trade payables</b>	<u>25,774</u>	<u>35,350</u>

Settlement is usually made within 30 days.

<b>Note 7B: Other payables</b>		
Superannuation	13,056	11,186
Legal costs		
Litigation	-	4,647
GST payable	20,802	22,253
PAYG payable	18,813	10,731
Wages and salaries	11,948	-
Other	91	90
<b>Total other payables</b>	<u>64,710</u>	<u>48,907</u>

Total other payables are expected to be settled in:

No more than 12 months	64,710	48,907
More than 12 months	-	-
<b>Total other payables</b>	<u>64,710</u>	<u>48,907</u>

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
<b>Note 8 Provisions</b>		
<b>Note 8A: Employee Provisions</b>		
<b>Office Holders:</b>		
Annual leave	201,176	180,513
Vesting personal leave	84,518	82,855
Long service leave	285,734	238,961
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions—office holders</b>	<b>571,428</b>	<b>502,329</b>
<b>Employees other than office holders:</b>		
Annual leave	63,973	56,587
Vesting personal leave	16,015	17,678
Long service leave	40,171	24,505
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions—employees other than office holders</b>	<b>120,159</b>	<b>98,770</b>
<b>Total employee provisions</b>	<b>691,587</b>	<b>601,099</b>
Current	610,699	558,151
Non-Current	80,888	42,948
<b>Total employee provisions</b>	<b>691,587</b>	<b>601,099</b>

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$

Note 9 Cash Flow

**Note 9A: Cash Flow Reconciliation**

Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement:

**Cash and cash equivalents as per:**

Cash flow statement	1,930,552	2,339,429
Statement of financial position	1,930,552	2,339,429
<b>Difference</b>	<u>-</u>	<u>-</u>

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

(Deficit)/ surplus for the year	(601,077)	891,010
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**Adjustments for non-cash items**

Depreciation	115,743	85,875
Unrealised (gain)/ loss on revaluation of investments	(6,508)	(2,938)
(Gain)/ loss on disposal of assets	(1,790)	(1,379,571)

**Changes in assets/liabilities**

(Increase)/ decrease in net receivables	5,798	(59,491)
Increase/ (decrease) in creditors and other payables	6,227	(11,552)
Increase/ (decrease) in employee provisions	90,488	117,383
<b>Net cash used in operating activities</b>	<u>(391,119)</u>	<u>(359,284)</u>

**Note 9B: Cash flow information**

Cash outflows to other reporting units

AMIEU – Federal Council	(116,292)	(100,918)
<b>Total cash outflows</b>	<u>(116,292)</u>	<u>(100,918)</u>

Note: Cash flow information to/ from other reporting units disclosed include 10% GST on applicable transactions.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**Note 9C: Credit standby arrangements and loan facilities**

The Branch does not have any credit standby arrangements or loan facilities (2018: Nil).

**Note 9D: Non-cash transactions**

There have been no non-cash financing or investing activities during the year (2018: Nil).

	2019	2018
	\$	\$
<b>Note 9E: Net debt reconciliation</b>		
Cash and cash equivalents	1,930,552	2,339,429
Borrowings – repayable within one year	-	-
Borrowings – repayable after one year	-	-
Net debt	<u>1,930,552</u>	<u>2,339,429</u>

**Note 9F: Reconciliation of movements of liabilities to cash flows arising from financing activities**

	Other Assets	Liabilities from financing activities		
	Cash assets	Borrowings – due within 1 year	Borrowings – due after 1 year	Total
<b>Net debt at 1 July 2017</b>	800,841	-	-	800,841
Cash flows	1,538,588	-	-	1,538,588
<b>Net debt at 30 June 2018</b>	<u>2,339,429</u>	-	-	<u>2,339,429</u>
<b>Cash flows</b>	<b>(408,877)</b>	-	-	<b>(408,877)</b>
<b>Net debt at 30 June 2019</b>	<u>1,930,552</u>	-	-	<u>1,930,552</u>

**Note 10 Contingent Liabilities, Assets and Commitments**

**Note 10A: Commitments and Contingencies**

**Capital commitments**

At 30 June 2019 the Branch did not have any capital commitments (2018: Nil).

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2019**

**Note 10A: Commitments and Contingencies (Continued)**

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

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

**Note 11 Related Party Disclosures**

**Note 11A: Related Party Transactions for the Reporting Period  
Holders of office and related reporting units**

The names of those persons who held office for all or part of the year are deemed to be a related party for financial reporting purposes as set out in the accompanying Committee of Management Operating Report.

For financial reporting purposes, under the *Fair Work (Registered Organisations) Act 2009*, the Australasian Meat Industry Employees Union is divided into the following separate reporting units (and deemed related parties):

Australasian Meat Industry Employees Union – Federal Council (AMIEU – Federal Council)  
Australasian Meat Industry Employees Union – Queensland Branch (AMIEU – QLD Branch)  
Australasian Meat Industry Employees Union – Newcastle & Northern Branch (AMIEU – Newcastle & Northern Branch)  
Australasian Meat Industry Employees Union – Victoria Branch (AMIEU – Victoria Branch)  
Australasian Meat Industry Employees Union – Tasmania Branch (AMIEU – Tasmania Branch)  
Australasian Meat Industry Employees Union - South and Western Australia Branch (AMIEU – SA/ WA Branch)

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

	2019	2018
	\$	\$
<b>Expenses paid to AMIEU – Federal Council includes the following:</b>		
Capitation fees	90,150	86,941
Levies	14,547	-
Purchase of meatworker journals	1,024	866
Reimbursement of conference fees	-	764
<b>Amounts owed to AMIEU – Federal Council includes the following:</b>		
Reimbursement of meatworker journal costs	-	289
Reimbursement of conference fees	-	764

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2019**

**Note 11 Related Party Disclosures (Continued)**

**Note 11A: Related Party Transactions for the Reporting Period  
Holders of office and related reporting units (Continued)**

	2019	2018
	\$	\$
<b>Revenue received from AMIEU – SA/ WA Branch includes the following:</b>		
Reimbursement of travel costs	-	2,263
<b>Amounts owed by AMIEU – SA/ WA Branch include the following:</b>		
Loan receivable	15,000	15,000
Reimbursement of travel costs (trade debtors)	-	2,263

During the 2017 financial year the Branch agreed to lend \$15,000 to the AMIEU- SA/ WA Branch on a non-commercial arm's length basis. Repayment terms are set out in the loan term which states repayment must be made within 4 years. There is no interest payable or security provided on this loan.

Under Australian Accounting Standards, loans and receivables require an entity to measure interest free loans at fair value, using commercial market interest rates issued on an arm's length basis on similar loan terms in the market place. It was determined that the fair value of the loan was not materially difference from the carrying value and as a result, the Committee of Management have not fair valued this loan at reporting date.

**Terms and conditions of transactions with related parties**

With the exception of the loan to the SA/ WA Branch, 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 2019, the Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2018: 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.



**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2019**

**Note 11 Related Party Disclosures (Continued)**

	2019	2018
	\$	\$
<b>Note 11B: Key Management Personnel Remuneration for the Reporting Period</b>		
<b>Short-term employee benefits</b>		
Salary (including annual leave taken)	469,722	482,895
Annual and personal leave accrued	65,005	37,576
Other	-	-
<b>Total short-term employee benefits</b>	<u>534,727</u>	<u>520,471</u>
<b>Post-employment benefits:</b>		
Superannuation	88,889	82,092
<b>Total post-employment benefits</b>	<u>88,889</u>	<u>82,092</u>
<b>Other long-term benefits:</b>		
Long-service leave	58,329	119,664
<b>Total other long-term benefits</b>	<u>58,329</u>	<u>119,664</u>
<b>Termination benefits</b>	-	-
<b>Total</b>	<u>681,915</u>	<u>722,227</u>

**Note 11C: Transactions with Key Management and their Close Family Members**

Income

A committee of management member rents a room of the Branch	10,600	10,400
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Receivables

A committee of management member has a loan/ receivable with the Branch that is being paid off over 3 years. The loan/ receivable is on interest free terms	10,646	17,536
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No other transactions occurred during the year with elected officers, close family members or other related parties than those related to their membership or employment and on terms no more favourable than those applicable to any other member of employee.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**Note 12 Remuneration of Auditors**

<b>Value of the services provided</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Financial statement audit services	12,300	12,000
Other services	-	-
<b>Total remuneration of auditors</b>	<b>12,300</b>	<b>12,000</b>

No other services were provided by the external auditor to the Branch.

**Note 13 Financial Instruments**

**Financial Risk Management Policy**

The Branch Committee of Management monitors the Branch's financial risk management policies and exposure and approves financial transactions entered into. It also reviews the effectiveness of internal controls relating to the counterparty credit risk, liquidity risk, market risk and interest rate risk. The Branch Committee of Management meets on a regular basis to review the financial exposure of the Branch.

**(a) Credit Risk**

Exposure to credit risk relating to financial assets arise from the potential non-performance by counterparties of contract obligations that could lead to a financial loss of the Branch. The Branch does not have any material credit risk exposures as its major source of revenue is the receipt of membership fees.

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

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

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

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

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

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**Note 13 Financial Instruments (Continued)**

**Ageing of financial assets that were past due but not impaired for 2019**

	Within trading terms	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$	\$
Trade and other receivables	67,754	-	-	-	-	67,754
Receivables from other reporting units	-	-	-	-	-	-
<b>Total</b>	<b>67,754</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67,754</b>

**Ageing of financial assets that were past due but not impaired for 2018**

	Within trading terms	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$	\$
Trade and other receivables	71,289	-	-	-	-	71,289
Receivables from other reporting units	-	-	-	-	2,263	2,263
<b>Total</b>	<b>71,289</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,263</b>	<b>73,552</b>

The Branch has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties.

Credit risk related to balances with banks and other financial institutions is managed by the Committee of Management in accordance with approved policy. Such policy requires that surplus funds are only invested with counterparties with a strong reputation and backed by the Commonwealth Government's bank guarantee. At 30 June 2019, all funds were held by financial institutions backed by the Commonwealth Government's bank guarantee.

***Collateral held as security***

The Branch does not hold collateral with respect to its receivables at 30 June 2019 (2018: Nil).

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2019**

**Note 13 Financial Instruments (Continued)**

**(b) Liquidity Risk**

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

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

The tables below reflect an undiscounted contractual maturity analysis for non-derivative financial liabilities. The Branch does not hold directly any derivative financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates

**Financial Instrument Composition and Maturity Analysis**

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>								
Trade payables	25,774	35,350	-	-	-	-	25,774	35,350
Other payables	64,710	48,907	-	-	-	-	64,710	48,907
<b>Total expected outflows</b>	<b>90,484</b>	<b>84,257</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>90,484</b>	<b>84,257</b>
<b>Financial assets – cash flow receivable</b>								
Cash and cash equivalents	1,930,552	2,339,429	-	-	-	-	1,930,552	2,339,429
Trade and other receivables	67,754	73,552	15,000	15,000	-	-	82,754	88,552
Investments	-	-	-	-	507,781	501,272	507,781	501,272
<b>Total anticipated inflows</b>	<b>1,998,306</b>	<b>2,412,981</b>	<b>15,000</b>	<b>15,000</b>	<b>507,781</b>	<b>501,272</b>	<b>2,521,087</b>	<b>2,929,253</b>
<b>Net (outflow) / inflow on financial instruments</b>	<b>1,907,822</b>	<b>2,328,724</b>	<b>15,000</b>	<b>15,000</b>	<b>507,781</b>	<b>501,272</b>	<b>2,430,603</b>	<b>2,844,996</b>

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**Note 13 Financial Instruments (Continued)**

**(c) Market Risk**

i. Interest rate risk

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

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

Interest rate risk is managed using a mix of fixed and floating financial instruments. The effective interest rate expenditure to interest rate financial instruments are as follows:

	<b>Weighted Average Effective Interest Rate</b>			
	2019	2018	2019	2018
	%	%	\$	\$
<b>Floating rate instruments</b>				
Cash and cash equivalents	1.92	0.65	1,930,552	2,339,429

ii. *Other price risk*

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

The Branch is exposed to other price risk on its investments held in direct shares and capital notes. Such risk is managed through diversification of investments and held in large listed companies with strong credit ratings.

iii. Foreign exchange risk

The Branch is not exposed to direct fluctuations in foreign currencies.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**Note 13 Financial Instruments (Continued)**

iv. Price risk

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

v. Interest rate risk

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

vi. Sensitivity Analysis

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

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

	<b>Profit</b>	<b>Equity</b>
	<b>\$</b>	<b>\$</b>
<b>Year ended 30 June 2019</b>		
+2% in interest rates	<b>38,611</b>	<b>38,611</b>
-2% in interest rates	<b>(30,182)</b>	<b>(30,182)</b>
+/-5% in investments	<b>+/-25,389</b>	<b>+/-25,389</b>
<b>Year ended 30 June 2018</b>		
+2% in interest rates	46,789	46,789
-2% in interest rates	(10,351)	(10,351)
+/-5% in investments	<b>+/-25,064</b>	<b>+/-25,064</b>

No sensitivity analysis has been performed on foreign exchange risk as the Branch has no material direct exposures to currency risk. There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

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

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2019**

**Note 14 Fair Value Measurement**

**Fair Values**

*Fair value estimation*

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

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

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

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

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

	Footnote	2019		2018	
		Carrying value	Fair value	Carrying value	Fair value
		\$	\$	\$	\$
<b>Financial assets</b>					
Cash and cash equivalents	(i)	1,930,552	1,930,552	2,339,429	2,339,429
Accounts receivable and other debtors	(i)	67,754	67,754	73,552	73,552
Loans receivable		15,000	15,000	15,000	15,000
Financial assets at fair value through profit or loss:					
- at fair value	(ii)	507,781	507,781	501,272	501,272
<b>Total financial assets</b>		<b>2,521,087</b>	<b>2,521,087</b>	<b>2,929,253</b>	<b>2,929,253</b>
<b>Financial liabilities</b>					
Accounts payable and other payables	(i)	90,484	90,484	84,257	84,257
<b>Total financial liabilities</b>		<b>90,484</b>	<b>90,484</b>	<b>84,257</b>	<b>84,257</b>

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

- (i) Cash and cash equivalents, accounts receivable, loans receivable and other debtors and accounts payable and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 139.
- (ii) For listed investments, closing quoted bid prices at the end of the reporting period are used.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2019**

**Note 14 Fair Value Measurement (Continued)**

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

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

**Fair Value Hierarchy**

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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



**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2019**

**Note 14 Fair Value Measurement (Continued)**

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 2019*

	Note	Date of Valuation	Level 1	Level 2	Level 3
		\$	\$	\$	\$
<b>Assets measured at fair value</b>					
Financial Assets at fair value through profit or loss					
- IAG shares	6B	30 June 2019	14,161	-	-
- ANZ commercial notes	6B	30 June 2019	493,620	-	-
Total financial assets recognised at fair value on a recurring basis			<u>507,781</u>	<u>-</u>	<u>-</u>

The Branch does not have any liabilities that are recorded using a fair value technique.

*Fair value hierarchy – 30 June 2018*

	Note	Date of Valuation	Level 1	Level 2	Level 3
		\$	\$	\$	\$
<b>Assets measured at fair value</b>					
Financial Assets at fair value through profit or loss					
- IAG Shares	6B	30 June 2018	14,159	-	-
- ANZ commercial notes	6B	30 June 2018	487,113	-	-
Total financial assets recognised at fair value on a recurring basis			<u>501,272</u>	<u>-</u>	<u>-</u>

The Branch does not have any liabilities that are recorded using a fair value technique.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2019**

**Note 15 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).

**Note 16 Branch Details**

The registered office of the Branch is:

62 Prospect Street  
Rosehill NSW 2142

**Note 17 Segment Information**

The Branch operates solely in one reporting segment, being the provision of industrial services in New South Wales.

## AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 30 JUNE 2019

#### OFFICER DECLARATION STATEMENT

I Patricia Fernandez, being the Branch Secretary of the Australasian Meat Industry Employees Union – New South Wales Branch declare that the following did not occur during the reporting period ended 30 June 2019:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees or any other revenue amount from another reporting unit
- receive revenue via compulsory levies
- receive donations or grants
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- pay a penalty imposed under the RO Act or the *Fair Work Act 2009*
- have a receivable with other reporting unit(s)
- have a payable with other reporting unit(s)
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit
- receive cash flows from another reporting unit and/or controlled entity
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- have a receivable with other reporting unit(s)
- have a payable with other reporting unit(s)

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2019**

**OFFICER DECLARATION STATEMENT (CONTINUED)**

- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch



.....  
Patricia Fernandez  
Branch Secretary

15 August 2019

Sydney



**Australian Government**  
**Registered Organisations Commission**

10 December 2019

Patricia Fernandez  
Secretary-Treasurer  
The Australasian Meat Industry Employees' Union - New South Wales Branch  
Sent via email: pfernandez@amieu.asn.au



**URGENT REMINDER:**

**The Australasian Meat Industry Employees' Union - New South Wales Branch's financial report is due (FR2019/156)**

Dear Patricia Fernandez,

We are writing to remind you of the Australasian Meat Industry Employees' Union - New South Wales Branch's obligation to lodge a financial report under section 268 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

We hope you are on track to complete your financial report on time. If not, please contact us as soon as possible to discuss ways we can assist you to meet the deadline.

**Did you know?** The ROC is currently seeking to improve non-compliance with these three areas:

- Providing the full report to members
- Providing the report to members within the deadlines
- Lodging the full report with the ROC within 14 days of the s.266 meeting.



**Compliance Calculator**

If you are not sure whether your planned dates are consistent with the RO Act, have a look at our [compliance calculator](#). The compliance calculator will help you work out your unique dates for when your report needs to be provided, presented and lodged.

## Your steps checklist

Your financial year ended on 30 June 2019. You should be well into the following process.

### Pre-lodgement checklist

<input type="checkbox"/>	Draft the financial report and have the committee of management pass the Committee of Management resolution <b>Did you know?</b> This is the first meeting in the financial reporting process
<input type="checkbox"/>	Have the auditor complete and sign the auditor's report <b>Tips:</b> You must use a registered auditor. The SIGNED report is part of the full report. Make sure it is included in what is provided to members
<input type="checkbox"/>	Provide the full report to members This must be done: <ul style="list-style-type: none"> <li>• If you are going to a committee of management meeting (requires a 5% rule), within 5 months of 30 June 2019</li> <li>• If you are going to a general meeting of members, 21 days before the meeting</li> </ul>
<input type="checkbox"/>	Present the full report to the second meeting. <b>Hints:</b> This meeting must be within 6 months of 30 June 2019. This is either a committee of management meeting (requires a 5% rule) or a general meeting of members
<input type="checkbox"/>	Lodge with the ROC within <b>14 days</b> of the meeting – <a href="mailto:regorgs@roc.gov.au">regorgs@roc.gov.au</a> <b>TIP:</b> lodge it straight away – there's no need to wait the full 14 days

If you require further advice or assistance please email [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au) or call us on 1300 341 665.

Yours sincerely,

## Registered Organisations Commission

**Penalties apply**  
We emphasise that sections 253, 254, 265(1)(a), 266 and 268 of the RO Act are civil penalty provisions.  
Failure of an organisation to prepare a full report, provide it to members, present it to a meeting and lodge with the ROC within legislative time frames may expose your organisation to Federal Court proceedings with the possibility of a pecuniary penalty being imposed upon an officer and/or the organisation.





2 July 2019

Patricia Fernandez  
Secretary-Treasurer  
Australasian Meat Industry Employees' Union, The-New South Wales Branch  
Sent via email: pfernandez@amieu.asn.au

Dear Patricia Fernandez,

**Re: Lodgement of Financial Report - FR2019/156  
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Australasian Meat Industry Employees' Union, The-New South Wales Branch (the reporting unit) ended on 30 June 2019. 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 the 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 2019.

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 2019 (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 [here](#) a link to 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](mailto:regorgs@roc.gov.au).

Yours faithfully,

**Kylie Ngo**  
**Registered Organisations Commission**



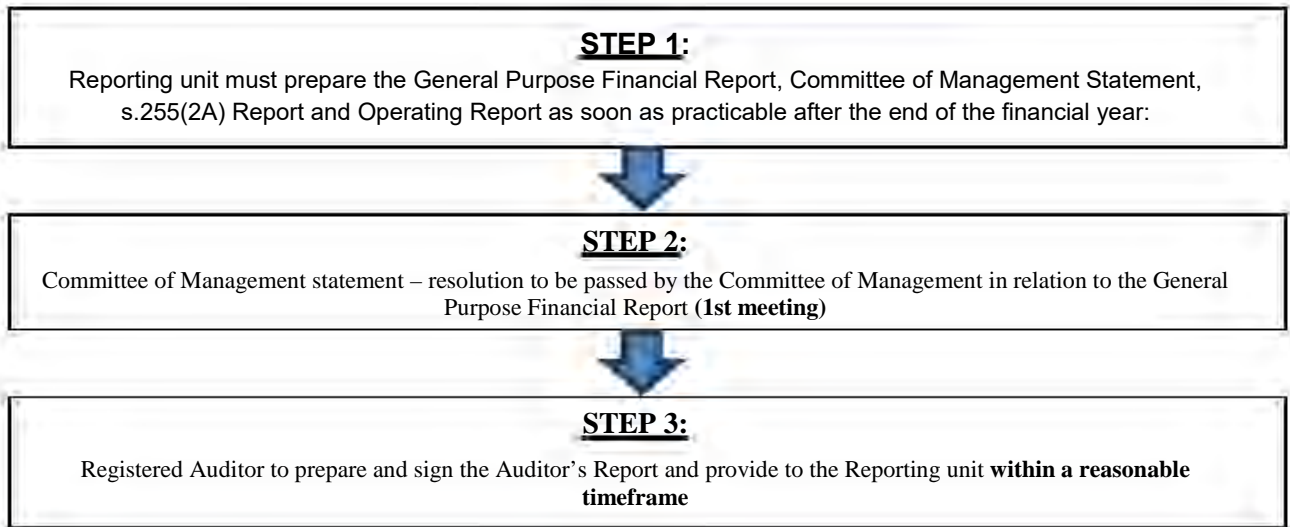


## Fact sheet

### Summary of financial reporting timelines – s.253 financial reports

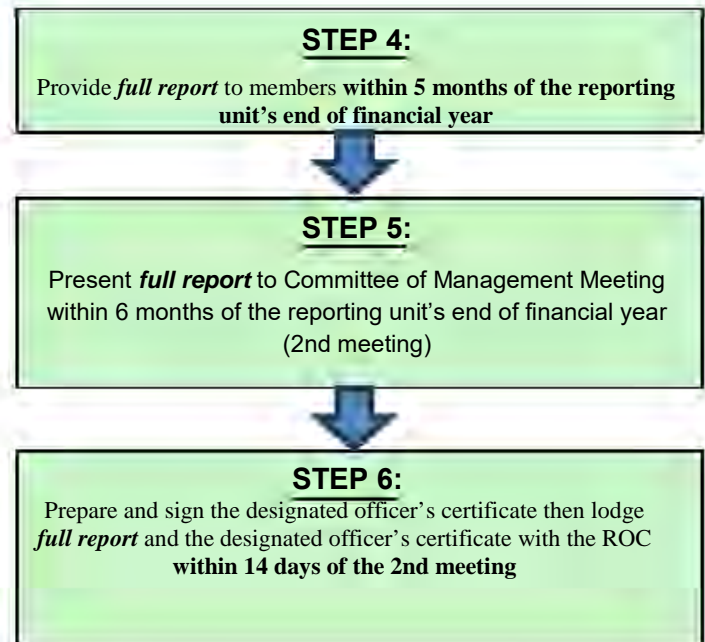
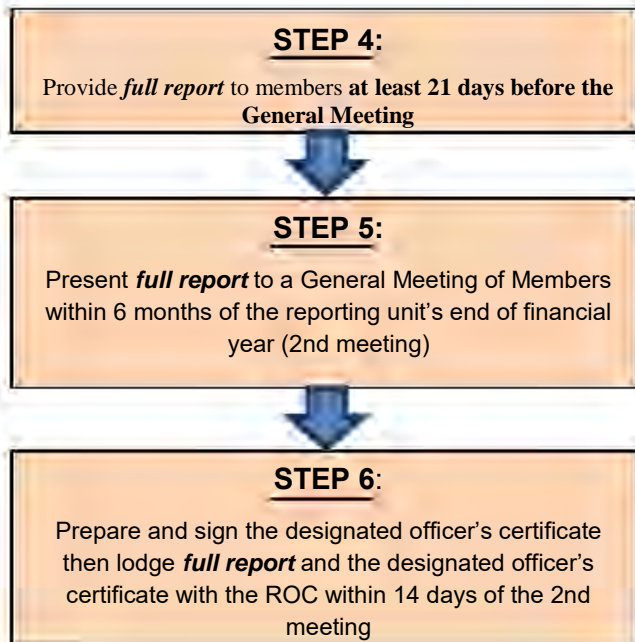
#### General Information:

- The **full report** consists of the General Purpose Financial Report, Committee of Management Statement, Operating report, s.255(2A) Report and signed Auditors' Report
- For an explanation of each of the steps below see our [Fact sheet—financial reporting process](#).





















IF RULES PROVIDE FOR PRESENTATION OF FULL REPORT AT GENERAL MEETING OF MEMBERS  
(this is the default process in the RO Act)

IF RULES PROVIDE FOR PRESENTATION OF FULL REPORT AT COMMITTEE OF MANAGEMENT MEETING  
(Special rules must be in the rulebook to use this process)



## Misconceptions

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

Misconception	Requirement
<p> The Committee of Management statement is just copied from the Reporting Guidelines</p>	<p> The Committee of Management statement must have the date of the Committee of Management resolution recorded upon it and it must be signed and dated BEFORE the auditor signs their report</p> <p>Further, if any of the statements within it need to be modified to suit the reporting unit (for instance not holding meetings) these changes must also be made</p>
<p> The Auditor's Report does not need to be signed until just before it is lodged with the ROC</p>	<p> The Auditor's Report must be signed and dated BEFORE the full report (including the Auditor's Report) is sent to members and presented to the second meeting</p>
<p> The Designated Officer's Certificate must be signed before the report is sent to members</p>	<p> The Designated Officer's Certificate declares what the reporting unit HAS ALREADY DONE to provide the report to members and present it to the meeting. It must be signed and dated AFTER sending the report to members and the second meeting</p>
<p> Documents can be dated when they should have been signed or when the events in the document occurred</p>	<p> Documents must always be dated at the date they are actually signed by an officer or auditor</p>
<p> Any auditor can audit a financial report</p>	<p> Only registered auditors can audit the financial report</p>
<p> The Committee of Management statement can be signed at any time</p>	<p> The resolution passing the Committee of Management Statement must occur and the statement signed and dated BEFORE the auditor's report is signed and dated</p>
<p> Any reporting unit can present the Full Report to a second COM meeting</p>	<p> Only reporting units with a 5% rule in their rulebook are able to present their report to a second Committee of Management Meeting. Otherwise, it must be presented to a General Meeting of members</p>
<p> Everything can be done at one Committee of Management meeting</p>	<p> If the rules allow for presenting the report to the Committee of Management, there must still be <u>two meetings</u>. The first meeting resolves the Committee of Management statement (including signing and dating it). Between the two meetings the Auditor's report is signed and dated. Only then can the full report be presented to the second Committee of Management meeting (if the rules allow)</p>
<p> The reporting unit has 6 months and 14 days to lodge their financial report with the ROC</p>	<p> The reporting unit must lodge the financial report within 14 days of the second meeting</p>

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This fact sheet is not intended to be comprehensive. It is designed to assist in gaining an understanding of the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice.



## 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 14(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:	2017	2016
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
<b>Total grants or donations</b>	<b>-</b>	<b>-</b>

The Commissioner's Reporting Guidelines requires that these line items appear in the financial statements, the notes or in the officer's declaration statement, 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](mailto:regorgs@roc.gov.au)