



FAIR WORK
AUSTRALIA

19 December 2012

Mr Graham Smith
Secretary, South Australian Branch
Australasian Meat Industry Employees Union
Ground floor, 46 Greenhill Road
WAYVILLE SA 5034



Dear Mr Smith

Lodgment of Financial Accounts and Statements - Australasian Meat Industry Employees Union, South Australian Branch (FR2012/389)

I refer to my correspondence dated 30 November 2012 in relation to the abovementioned financial statements and accounts.

I have received an amended Auditor's Report that meets the legislative requirements.

The documents have now been filed.

Yours sincerely,

Stephen Kellett

Regulatory Compliance Branch
FAIR WORK AUSTRALIA



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION
SOUTH AUSTRALIAN BRANCH
A.B.N. 44 210 953 242**

Report on the Financial Report

We have audited the accompanying financial report of The Australasian Meat Industry Employees' Union South Australian Branch (the association) which comprises the statement of financial position as at 30 June 2012 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory information and the statement by members of the committee.

Committee's Responsibility for the Financial Report

The committee of the association is responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations and Fair Work (Registered Organisations) Act 2009 and for such internal control as the committee determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE AUSTRALASIAN MEAT INDUSTRY EMPLOYEES' UNION
SOUTH AUSTRALIAN BRANCH
A.B.N. 44 210 953 242**

Auditors' Opinion

In our opinion:

The general purpose financial report of The Australasian Meat Industry Employees' Union South Australian Branch presents fairly in accordance with the Fair Work (Registered Organisations) Act 2009 including;

- (i) giving a true and fair view of the Association's financial position as at 30 June 2012 and of their performance and cash flows for the year ended on that date; and
- (ii) complying with the Australian Accounting Standards, (including Australian Accounting interpretations) and the Fair Work (Registered Organisations) Act 2009 and the requirements imposed by Part 3 of Chapter 8 of the RO Act.

Name of Firm: Jacobs Noble & Associates
Chartered Accountants

Name of Director:


Stephen J. Noble

Address: 1 Alexandra Avenue, Rose Park SA 5067

Dated this 9th day of October 2012



FAIR WORK
AUSTRALIA

30 November 2012

Mr Graham Smith
Secretary, South Australian Branch
Australasian Meat Industry Employees Union
Ground floor, 46 Greenhill Road
WAYVILLE SA 5034



Dear Mr Smith

Lodgment of Financial Accounts and Statements - Australasian Meat Industry Employees Union, South Australian Branch (FR2012/389)

I refer to the abovementioned financial statements and accounts which were lodged with Fair Work Australia on 7 November 2012.

Before filing the documents I wish to draw your attention to several issues relating to the content or format of the documentation. In summary, the issues relate to:-

- (1) references the Auditor must make in the Auditor's report;
- (2) the way certain information in the Operating Report is to be expressed;
- (3) the way certain balances in the financial report should be presented.

1. Audit Report - correct legislative framework

(i) Audit Opinion

The Auditor's opinion did not reflect the requirement of subsection 257(5) of the *Fair Work (Registered Organisations) Act 2009* ("the RO Act") which states, as follows:-

"An auditor must, in his or her report, state whether in the auditor's opinion the general purpose financial report presents fairly in accordance with any of the following that apply in relation to the reporting unit:

- (a) *the Australian Accounting Standards*
- (b) *any other requirements imposed by this Part....."*

The words "this Part" in (b) above refer to Part 3 of Chapter 8 of the RO Act, which deals with records and account-keeping obligations. The Auditor has referred to the "Associations Incorporation Act SA 1985". For the purposes of satisfying the requirements of the RO Act, the auditor's report and opinion must make reference to the RO Act. The absence of any reference to the RO Act means that technically, the auditor has not provided an audit opinion that complies with subsection 257(5).

I have re-examined the auditor's opinions for previous years for comparison. Up to and including 2009, the previous auditor always stated in her auditor's opinion that the financial report was "in accordance with the Workplace Relations Act 1996" ("the WR Act").

In the auditor's opinion for the year ended 30 June 2010, the current Auditor referred to "the requirements imposed by Part 3 of Chapter 8 of the RAO Schedule of the *Workplace Relations Act 1996*." Although, in 2010, Part 3 of Chapter 8 was now contained in the RO Act rather than in the RAO Schedule of the WR Act, this reference was acceptable because the RO Act was

largely a re-named RAO Schedule. (Transitional provisions maintained the requirements in the RAO Schedule when it was renamed the RO Act). I enclose a copy of the 2010 Audit report for your reference and comparison.

However, in his opinion in respect of the financial report for the year ended 30 June 2011, the current Auditor made no reference to "Part 3 of Chapter 8" or the "RAO Schedule", but, like the 2012 report, confined his reference to the "Associations Incorporation Act SA 1985". This omission was inadvertently not noted in FWA correspondence to you last year.

(ii) Requirements of ASA 700

Paragraph 26 of the relevant Australian Auditing Standard, ASA 700, states as follows;

"The auditor's report shall describe management's responsibility for the preparation of the financial report. The description shall include an explanation that management is responsible for the preparation of the financial report in accordance with the applicable financial reporting framework....."

The Auditor has referred, in his paragraph headed "Committee's Responsibility for the Financial Report", to "in accordance with the Associations Incorporation Act 1981".

This appears to be a clerical error as well as incorrect for the purposes of ASA 700, for I was unable to identify any South Australian legislation bearing that title for 1981.

But in any case the applicable legislative framework for the preparation and audit of the Branch's financial reports is Part 3 of Chapter 8 of the RO Act, and references to this must be included in future Audit reports.

Amended Auditor's Reports.

I ask you to draw your Auditor's attention to these matters. I would also request that you ask the Auditor to provide, in respect of both the financial reports for the years ended 30 June 2011 lodged last year, and 30 June 2012, amended Audit reports that comply with subsection 257(5) of the RO Act with appropriate references as I have indicated.

Other matters

Recent amendments to the RO Act reflect the importance of transparency and strict compliance so I set out some additional details for your reference and application in future reports. I have reviewed previous reports for comparison. I acknowledge that these details have not been commented on in the past where previous financial reports were concerned, but having consulted with colleagues I wish to set out where the Branch's reports will more correctly comply with relevant provisions of the *Fair Work (Registered Organisations) Act 2009* or standards. My purpose is to direct your attention to the importance of giving full effect to the exact wording of the Act and regulations so as to assist the Branch to avoid any inadvertent departures from the relevant statutory requirements in future.

They should not represent onerous modifications to the reporting content or presentation of the documentation.

(2) Operating Report information

Sub-section 254(2)(a) requires the operating report to "*contain a review of the reporting unit's principal activities during the year, the results of those activities and any significant changes in the nature of those activities during the year*".

Your Operating Report partially complies with sub-section 254(2)(a) in that it describes, under a heading "Principal Activities", the principal activities as "the provision of industrial services to members", and it also contains, under the heading "Review of Operations", a statement that "the entity continued to engage in its principal activity".

However the Operating Report fell short of the other two items of information as follows.

(i) Results of principal activities

The statement that "the deficit for the year ended 30 June 2012 amount to (\$13,772)" which appears under the heading "Operating Result" and the statement that "the results of which are disclosed in the attached financial statements" which appears under the heading "Review of

Operations” do not, strictly speaking, represent a review “of the results of those activities”, as required by subsection 254(2)(a).

It has been brought to my attention that subsection 254(2)(a) does not contemplate a financial result of this kind, and is not to be interpreted as such, but instead contemplates a description of *non-financial* results from whatever principal activities have been described.

Thus, the results of the activity the Branch has described as “provision of industrial services to members” might include any one or several of the kinds of results that “industrial services” might be expected to have. Without being prescriptive, the kinds of results that might be relevant could include whether disputes had been resolved successfully, agreements had been made, new members had been recruited or represented, whether members’ conditions had improved, etc.

In future, the Operating Report should set out a brief description of what it considers to have been the results of its principal activities.

(ii) Details of any significant changes in (a) nature of activities; (b) financial affairs

Under the heading “Significant Changes” on the Operating Report appears a statement that “no significant changes in operations during the year ended 30 June 2012”.

My plain reading of this statement is that it is intended to reflect what is required by subsection 254(2)(a) above, where it refers to “any significant changes in the nature of those activities”. Indeed, up to and including the financial report for the year ended 30 June 2009, the statement used actually included the words “in the nature of these activities”. In 2010, the statement referred to the amalgamation of the Western Australian and South Australian Branches.

However another subsection, subsection 254(2)(b), requires the operating report to “*give details of any significant changes in the reporting unit’s financial affairs during the year*”.

Thus there is reference to two kinds of “significant changes”: (a) those which may have occurred in the nature of the principal activities, and (b) those which may have occurred in the financial affairs. The principal activities of a registered organisation are thus distinguished from its financial affairs.

Since the Operating Report only makes one statement referring to “significant changes”, it would not, strictly speaking, be clear to the ordinary reader which of the two categories was intended.

In future, the Operating Report must include both

(a) a statement that, as was the case up to 2009, reflects the requirement in subsection 254(2)(a) to report on whether there has been any significant changes to the nature of the principal activities during the year and

(b) a statement that reflects the requirement in subsection 254(2)(b) to report on whether there has been any significant changes in the financial affairs.

(iii) Employees on full-time equivalent basis

Sub-Regulation 159(c) requires the Operating Report to contain

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

The Operating Report stated that “The Union had 9 employees at year end”. Previous Operating Reports have used similar wording.

To strictly comply with the sub-regulation, in case the number of employees includes part-time employees, the Operating Report must express the number of employees as a number measured on a full-time equivalent basis. It should therefore include the words “as measured on a full-time equivalent basis”. If all employees are full-time, then it is still meaningful to express their number as “as measured on a full-time equivalent basis”.

(3) Income and Expenditure disclosures

The Industrial Registrar's Reporting Guidelines ('the Guidelines') (see attached) prescribe specific items for disclosure where they have occurred during a financial year. Where a financial report does not itemise a prescribed balance under the same or similar name or descriptor used in the Guidelines, there can arise some doubt for the ordinary reader whether the report has complied or not.

I have identified the following key items where it is not immediately clear whether the balance disclosed falls within the category prescribed in the Guidelines.

(i) Membership subscriptions

Paragraph 10(a) of the Guidelines requires that a separate balance be disclosed for "entrance fees or periodic subscriptions" referred to as "membership subscriptions".

However I note that the 2012 report and the reports for 2010 and 2011 disclosed a balance described as "Commissions" or "Commissions Received". Previously, up to and including 2009, the reports disclosed a balance for "Members' Contributions". Whilst I have made the inference that "Commissions" means the equivalent of "Members' Contributions" or "Membership subscriptions", it would not be immediately obvious to the ordinary reader that this is so.

Illustrative Examples contained in Australian Accounting Standard (AASB) 118 which covers the various categories of Revenue include a distinct category for "Initiation, entrance and membership fees".¹

Moreover, in the Notes to the Financial Statements the Branch has stated, under the heading "Revenue and Other Income", that *"revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year."*

There seems no reason why the balance constituted by income from membership fees, contributions or subscriptions should not be described explicitly as such.

If there is a relevant reason why this balance is described as "Commissions" please advise. Otherwise, in the interests of removing any uncertainty for the ordinary member/reader, and to comply strictly with the Reporting Guidelines, I would ask that in future reports the member subscription/contribution revenue balance be described as such.

(ii) Employee benefits

Paragraphs 11(g) and 11(h) of the Reporting Guidelines (see attached, highlighted) require that employee benefits balances for "holders of office" be distinctly disclosed from employee benefits balances for "employees (other than holders of offices)."

For the purposes of this distinction, I refer you to the meaning of "office" defined by section 9 of the Act (see extract attached). In common usage, the term "officer" and "official" are often interchangeable and the distinction is perhaps better illustrated by the terms "holder of an office" (or "office-holder") as opposed to "non-office holder".

The question whether any employee is an office-holder or not may be determined by the rules of the union. As a rule-of-thumb, an "official" who receives employee benefits will be an office-holder - in the sense intended by the Act - if the rules make the official a voting member of the Branch's deliberative committee of management. If not, then the official is generally not an office-holder in the sense intended by the Reporting Guidelines and their employee benefits will form part of the total employee benefits balance for "employees".

The report does not appear to have distinguished these. A single figure for "Employee Expenses" of \$491,940 appears on the Statement of Income and Expenditure" and a single figure for "Employee Benefits" of \$453,097 appears at Note 17. There is no balance for "Employee Benefits paid to "holders of office" and no explanatory note whether in fact there should be.

¹ See Financial Reporting Handbook 2012, ICAA, page 664

I note however, that up to and including the report for the year ended 30 June 2009, the Notes set out, under the heading "Payments to Officials", distinct balances for "Elected Officers" and for "Other Staff".

It is not at all obvious that the balances disclosed in the 2012 report as "Employee Expenses" and "Employee Benefits" represent only employee benefits paid to non-holders of office.

It is important that FWA or the ordinary reader not rely on its own inferences or assumptions, given that the Reporting Guidelines set out specific balances for disclosure on the face of the report. Accordingly future reports must provide two separate balances, one for office-holders and one for employees who are not also office-holders.

Conclusion

I hope this clarifies these key details for modification in future reports. I would appreciate it if you could bring these matters to your Auditor's attention.

Please feel welcome to contact me at any time, on (02) 67[REDACTED]7 if you wish to discuss any aspect of the financial reporting requirements.

Upon receipt of the amended Auditors' Reports, as explained above in this letter, the documents will be filed.

Yours sincerely,



Stephen Kellett

Regulatory Compliance Branch

FAIR WORK AUSTRALIA



Ground Floor,
46 Greenhill Road
Wayville SA 5034

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES' UNION
South Australian Branch

(Registered under the Workplace Relations Act 1996)

Telephone: (08) 8279.2200

Facsimile: (08) 8279.2201

Toll Free: 1800 882 645

Email: amieusa@internode.on.net

Website: <http://sa.amieu.asn.au>

ABN: 44 210 953 242

Word/auditing/ind registrar

5 November 2012

The Industrial Registrar
Australian Industrial Registry
Level 8 Terrace Towers
80 William Street
EAST SYDNEY NSW 2011



Dear Registrar,

Re: Accounts 2011 - 2012

Please find enclosed accounts for the 2012 financial year for the AMIEU SA Branch, along with Secretaries certificate.

For clarity of the process we held a meeting of the Branch Committee of Management on 6th October 2012 at which the full and concise accounts were presented.

On the 10th October we published the full report of the accounts on the Union's website.

On the 2nd of November 2012 we held a further meeting of the Branch Committee of Management at which time the full accounts were presented and endorsed.

No general meeting was called for by the members of the union.

Please contact me at your earliest convenience if further clarification is required.

Yours sincerely,

.....
Graham Smith
Secretary

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES' UNION – SA BRANCH

Audited Financial Statements and Reports
Year Ended 30 June 2012



**JACOBS, NOBLE
& ASSOCIATES**

Chartered Accountants
Integrated Business Services

**THE AUSTRALASIAN MEAT INDUSTRY EMPLOYEES' UNION
SOUTH AUSTRALIAN BRANCH
A.B.N. 44 210 953 242**

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2012**

**Liability limited by a scheme approved under
Professional Standards Legislation**

**THE AUSTRALASIAN MEAT INDUSTRY EMPLOYEES' UNION
SOUTH AUSTRALIAN BRANCH
A.B.N. 44 210 953 242**

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THE AUSTRALASIAN MEAT INDUSTRY EMPLOYEES' UNION
SOUTH AUSTRALIAN BRANCH
A.B.N. 44 210 953 242

OPERATING REPORT

Branch Committee of Management Report in accordance with section 254 of the Workplace Relations Act 1996, for the financial year ended 30 June 2012.

Your Committee Members submit the financial report of the Australasian Meat Industry Employee's Union – SA Branch for the year ended 30 June 2012.

Members of the Committee

The names of committee members throughout the year and at the date of this report are:

Geoffrey Ackland	Sandra Ashwood	Bronwyn Bald	Scott Challinger
John Da Silva	Gordon Davidson	Mark Hatcher	Kathleen Hawkey
Brendon Jowett	Peter Legg	Michael Linder	Michelle McKay
Gregory Mitchell	Sharra Anderson	Graham Smith	Allan Voice
Stephen Wrightson	Pasquale Yozzi		

Members of the Committee of Management have been in office from the start of the financial year to date of this report unless other wise stated.

Operating Result

The deficit for the year ended 30 June 2012 amount to (\$13,772).

Review of Operations

A review of the operations of the entity during the financial year and the results of the operations found that during the year the entity continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

Significant Changes

No significant changes in operations during the year ended 30 June 2012.

Principal Activities

The principal activities of the association during the financial year was the provision of industrial services to members.

After Balance Day 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 entity, the results of those operations, of the state of affairs of the entity in future financial years.

Union Details

The Union had 9 employees at year end.
The number of Members at 30th June 2012 was 2,127.

Details of Rights of Members to Resign

In accordance with rule 7 of the Rules of the Australasian Meat Industry Employees Union.

Details of Superannuation Trustees

To the best knowledge and belief no Officer or Employee of the Branch is, by virtue of their office on the Branch Committee of Management of the Union

- i) A Trustee of a superannuation entity or exempt public sector superannuation scheme;
- ii) A Director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme; and
- iii) Where a criterion for the office of a Trustee or Director is that the office is and Office of a registered organisation.

Signed in accordance with a resolution of the Members of the Committee.

Committee Member:

Graham Smith

Dated this 6th day of OCTOBER 2012

THE AUSTRALASIAN MEAT INDUSTRY EMPLOYEES' UNION
SOUTH AUSTRALIAN BRANCH
A.B.N. 44 210 953 242

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
Revenue	2	44,800	62,284
Cost of sales		(49,364)	(57,005)
Gross surplus / (deficit)		(4,564)	5,279
Other income	2	835,647	814,175
Administration expenses		(46,850)	(42,326)
Occupancy expenses		(63,990)	(55,072)
Other expenses		(734,015)	(733,217)
Surplus/(Deficit) for the year	3	(13,772)	(11,161)
Total comprehensive income for the year		(13,772)	(11,161)
Total comprehensive income attributable to members of the entity		<u>(13,772)</u>	<u>(11,161)</u>

The accompanying notes form part of these financial statements.

**THE AUSTRALASIAN MEAT INDUSTRY EMPLOYEES' UNION
SOUTH AUSTRALIAN BRANCH
A.B.N. 44 210 953 242**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012**

	Note	2012 \$	2011 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	177,127	184,424
Trade and other receivables	5	11,422	6,938
Financial assets	6	98,821	103,470
Inventories	7	61,468	78,962
TOTAL CURRENT ASSETS		<u>348,838</u>	<u>373,794</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	77,374	84,500
TOTAL NON-CURRENT ASSETS		<u>77,374</u>	<u>84,500</u>
TOTAL ASSETS		<u>426,212</u>	<u>458,294</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	37,554	32,041
Financial liabilities	10	1,957	16,217
Provisions	11	84,614	93,749
Other current liabilities	12	5,434	5,862
TOTAL CURRENT LIABILITIES		<u>129,559</u>	<u>147,869</u>
TOTAL LIABILITIES		<u>129,559</u>	<u>147,869</u>
NET ASSETS		<u>296,653</u>	<u>310,425</u>
EQUITY			
Reserves		167,218	167,218
Retained earnings	13	129,435	143,207
TOTAL EQUITY		<u>296,653</u>	<u>310,425</u>

The accompanying notes form part of these financial statements.

THE AUSTRALASIAN MEAT INDUSTRY EMPLOYEES' UNION
SOUTH AUSTRALIAN BRANCH
A.B.N. 44 210 953 242

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

	Note	Retained earnings \$	Amalgamation Reserve \$	Total \$
Balance at 1 July 2011		143,207	167,218	310,425
Surplus/(Deficit) attributable to members		<u>(13,772)</u>		<u>(13,772)</u>
Balance at 30 June 2012		<u>129,435</u>	<u>167,218</u>	<u>296,653</u>

The accompanying notes form part of these financial statements.

THE AUSTRALASIAN MEAT INDUSTRY EMPLOYEES' UNION
SOUTH AUSTRALIAN BRANCH
A.B.N. 44 210 953 242

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from members	803,647	769,398
Payments to suppliers and employees	(813,867)	(800,572)
Other operating receipts	22,901	31,929
Interest & distribution	13,221	12,848
Net cash provided by operating activities	14 <u>25,902</u>	<u>13,603</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for office furniture and equipment	(1,110)	(8,735)
Payments for plant and motor vehicles	(14,091)	(20,700)
Payments for investments	(4,649)	-
Payments for other current assets	-	(5,032)
Net cash provided by (used in) investing activities	<u>(19,850)</u>	<u>(34,467)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	1,339	8,130
Repayment of borrowings	(14,688)	(10,756)
Net cash provided by (used in) financing activities	<u>(13,349)</u>	<u>(2,626)</u>
Net increase (decrease) in cash held	(7,297)	(23,490)
Cash at beginning of financial year	184,424	207,914
Cash at end of financial year	4 <u>177,127</u>	<u>184,424</u>

The accompanying notes form part of these financial statements.

THE AUSTRALASIAN MEAT INDUSTRY EMPLOYEES' UNION
SOUTH AUSTRALIAN BRANCH
A.B.N. 44 210 953 242

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

1 Statement of Significant Accounting Policies

The financial report covers The Australasian Meat Industry Employees' Union South Australian Branch as an individual entity. The Australasian Meat Industry Employees' Union South Australian Branch is an entity under the Fair Work (Registered Organisations) Act 2009.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Accounting Standards, Australian Accounting Interpretations and the Fair Work (Registered Organisations) Act 2009.

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

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements were authorised for issue on by the members of the association.

Accounting Policies

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

THE AUSTRALASIAN MEAT INDUSTRY EMPLOYEES' UNION
SOUTH AUSTRALIAN BRANCH
A.B.N. 44 210 953 242

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

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment.

In the event the carrying value of plant and equipment is greater than the estimated recoverable amount, the carrying value is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

The cost of fixed assets constructed within the association includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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

Depreciation

The depreciation method and useful life used for items of property, plant and equipment (excluding freehold land) reflects the pattern in which their future economic benefits are expected to be consumed by the association. Depreciation commences from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation method and useful life of assets is reviewed annually to ensure they are still appropriate.

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of the reporting period.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

THE AUSTRALASIAN MEAT INDUSTRY EMPLOYEES' UNION
SOUTH AUSTRALIAN BRANCH
A.B.N. 44 210 953 242

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

Financial Instruments

Initial Recognition and Measurement

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

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

Impairment of Assets

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

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees at the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

THE AUSTRALASIAN MEAT INDUSTRY EMPLOYEES' UNION
SOUTH AUSTRALIAN BRANCH
A.B.N. 44 210 953 242

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

Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and cessation of all involvement in those goods.

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

Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

Trade and Other Payables

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

**THE AUSTRALASIAN MEAT INDUSTRY EMPLOYEES' UNION
SOUTH AUSTRALIAN BRANCH
A.B.N. 44 210 953 242**

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

Comparative Figures

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

The Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 272, which reads:-

(1) A member of a reporting unit, or register, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) A reporting unit must comply with an application made under sub-section (1).

THE AUSTRALASIAN MEAT INDUSTRY EMPLOYEES' UNION
SOUTH AUSTRALIAN BRANCH
A.B.N. 44 210 953 242

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

	2012	2011
	\$	\$
2 Revenue and Other Income		
Revenue		
Sales revenue:		
Sale of goods	44,800	62,284
Rendering of services	826,541	797,055
	871,341	859,339
Other revenue:		
Dividends received	2,885	3,619
Interest received	10,336	9,228
Other revenue	4,406	-
	17,627	12,847
Total revenue	888,968	872,186
Other income		
Capital Gain(Loss) on Investment Funds	(4,649)	4,273
Capital Gain(Loss) on Sale of Non-current Assets	(3,872)	-
Total other income	(8,521)	4,273
3 Surplus for the year		
Surplus from continuing operations includes the following specific expenses:		
Expenses		
Cost of sales	49,364	57,005
Depreciation of property, plant and equipment	18,455	18,611
Bad Debts Written Off	-	-
Total bad and doubtful debts	-	-
Revenue and Other Income		
Capital Gain(Loss) on Sale of Non-current Assets	(8,521)	4,273
4 Cash and Cash Equivalents		
Cash on Hand	500	500
Cash at Bank - SA	36,388	33,019
Member Equity Members Offset	-	7,115
Members Equity Term Deposit	130,000	143,790
Member Equity Offset	10,239	-
	177,127	184,424

**THE AUSTRALASIAN MEAT INDUSTRY EMPLOYEES' UNION
SOUTH AUSTRALIAN BRANCH
A.B.N. 44 210 953 242**

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

	2012	2011
	\$	\$
5 Trade and Other Receivables		
Current		
Debtors	<u>11,422</u>	<u>6,938</u>
<p>The association does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.</p>		
6 Financial Assets		
Current		
Colonial First State	<u>98,821</u>	<u>103,470</u>
7 Inventories	<u>61,468</u>	<u>78,962</u>
8 Property, Plant and Equipment		
Motor Vehicles	99,600	100,736
Less: Accumulated Depreciation	<u>(53,002)</u>	<u>(54,784)</u>
	<u>46,598</u>	<u>45,952</u>
Office Furniture & Equipment	101,416	100,306
Less: Accumulated Depreciation	<u>(70,640)</u>	<u>(61,758)</u>
	<u>30,776</u>	<u>38,548</u>
Total Plant and Equipment	<u>77,374</u>	<u>84,500</u>
Total Property, Plant and Equipment	<u>77,374</u>	<u>84,500</u>

THE AUSTRALASIAN MEAT INDUSTRY EMPLOYEES' UNION
SOUTH AUSTRALIAN BRANCH
A.B.N. 44 210 953 242

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

	2012	2011
	\$	\$
9 Trade and Other Payables		
Current		
GST Account	2,430	5,656
MasterCard	61	(1,278)
Trade Creditors	16,455	12,125
Employee Liabilities	10,849	10,788
Settlements	7,759	4,750
	37,554	32,041
10 Borrowings		
Current		
Loan - SA Unions	2,066	2,066
Loan - Fuji Xerox	-	12,887
WorkCover Payable	(109)	1,264
Total current borrowings	1,957	16,217
Total borrowings	5 1,957	5 16,217
11 Provisions		
Provision for Long Service Leave	84,614	93,749
Total provisions	84,614	93,749
Analysis of Total Provisions		
Current	84,614	93,749
	84,614	93,749
12 Other Liabilities		
Current		
Accrued Charges	5,434	5,862

**THE AUSTRALASIAN MEAT INDUSTRY EMPLOYEES' UNION
SOUTH AUSTRALIAN BRANCH
A.B.N. 44 210 953 242**

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

	2012	2011
	\$	\$
13 Retained Earnings		
Retained earnings at the beginning of the financial year	143,207	154,368
Net loss attributable to the association	<u>(13,772)</u>	<u>(11,161)</u>
Retained earnings at the end of the financial year	<u>129,435</u>	<u>143,207</u>
14 Cash Flow Information		
Reconciliation of Cash Flow from Operations		
Surplus/(Deficit)	<u>(8,406)</u>	<u>(13,603)</u>
	<u>(8,406)</u>	<u>(13,603)</u>

**THE AUSTRALASIAN MEAT INDUSTRY EMPLOYEES' UNION
SOUTH AUSTRALIAN BRANCH
A.B.N. 44 210 953 242**

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

	2012	2011
	\$	\$
16 Association Details		
The registered office of the association is:		
46 Greenhill Road Wayville SA 5034		
The principal place of business is:		
46 Greenhill Road Wayville SA 5034		
17 Employee Benefits		
Total income received, or due and receivable, by all employees of the union.		
Total	<u>453,097</u>	<u>353,783</u>

THE AUSTRALASIAN MEAT INDUSTRY EMPLOYEES' UNION
SOUTH AUSTRALIAN BRANCH
A.B.N. 44 210 953 242

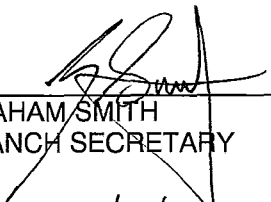
COMMITTEE OF MANagements CERTIFICATE

On 6/10/2012 2012 the Branch Committee of Management of the Australasian Meat Industry Employees' Union, South and Western Australian Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the Branch for the period ended 30 June 2012.

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

- (a) the financial report and notes comply with the Australian Accounting Standards;
- (b) the financial report and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial report and notes give a true and fair view of the financial performance, financial position, changes in equity and cash flows of the branch for the financial year ended 30 June 2012.
- (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 period ended 30 June 2012 and since the end of the financial year;
 - (i) meetings of the Branch Committee of Management were held in accordance with the rules of the organisation and the rules of the Branch; and
 - (ii) the financial affairs of the Branch have been managed in accordance with the rules of the organisation and the rules of the Branch; and
 - (iii) the financial records of the Branch have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - (iv) the financial records of the Branch have been kept, as far as practicable, in a consistent manner to each of the other branches of the organisation; and
 - (v) no information has been sought in any request of a member of the branch or a Registrar under section 272 of the RAO Schedule; and
 - (vi) no order for inspection of the financial records was made by the Commission under section 273 of the RAO Schedule.
- (f) during the period ended 30 June 2012 the Branch did not participate in any recovery of wages activity.
- (g) Principle activities during the financial year were: Union Activities. No significant change in the nature of these activities occurred during the year.
- (h) A deficit for the year ended 30 June 2012 amounted to (\$13,772).

For the Branch Committee of Management



GRAHAM SMITH
BRANCH SECRETARY

Date: 6/10/2012

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE AUSTRALASIAN MEAT INDUSTRY EMPLOYEES' UNION
SOUTH AUSTRALIAN BRANCH
A.B.N. 44 210 953 242**

Report on the Financial Report

We have audited the accompanying financial report of The Australasian Meat Industry Employees' Union South Australian Branch (the association) which comprises the statement of financial position as at 30 June 2012 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory information and the statement by members of the committee.

Committee's Responsibility for the Financial Report

The committee of the association is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Associations Incorporation Act 1981 and for such internal control as the committee determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE AUSTRALASIAN MEAT INDUSTRY EMPLOYEES' UNION
SOUTH AUSTRALIAN BRANCH
A.B.N. 44 210 953 242**

Auditors' Opinion

In our opinion:

The financial report of The Australasian Meat Industry Employees' Union South Australian Branch is in accordance with the Associations Incorporation Act SA 1985 including:

- (i) giving a true and fair view of the Association's financial position as at 30 June 2012 and of their performance and cash flows for the year ended on that date; and
- (ii) complying with the Australian Accounting Standards.

Name of Firm: Jacobs Noble & Associates
Chartered Accountants

Name of Director:



Stephen J Noble

Address: 1 Alexandra Avenue, Rose Park SA 5067

Dated this 9th day of October 2012

THE AUSTRALASIAN MEAT INDUSTRY EMPLOYEES' UNION
SOUTH AUSTRALIAN BRANCH
A.B.N. 44 210 953 242

CERTIFICATE BY MEMBERS OF THE COMMITTEE

K. DAVIDSON, of ADELAIDE, certify that:

- (a) I attended the annual general meeting of the association held on 2/11/2012.
- (b) The financial statements for the year ended 30 June 2012 were submitted to the members of the association at its annual general meeting.

Dated this 2ND day of NOVEMBER 2012

Committee Member: S. J. Davidson

THE AUSTRALASIAN MEAT INDUSTRY EMPLOYEES' UNION
SOUTH AUSTRALIAN BRANCH
A.B.N. 44 210 953 242

INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
	\$	\$
REVENUE		
Commissions Received	803,724	769,398
Other Operating Income	15,587	12,340
Sundry Income	7,230	11,317
Training Incentive	-	4,000
	826,541	797,055
OTHER REVENUE		
Distributions Received	2,885	3,619
Interest Received	10,336	9,228
Insurance Recoveries	4,406	-
Capital Gain(Loss) on Sale of Non-current Assets	(8,521)	4,273
Gross surplus/(deficit) from trading	(4,564)	5,279
	4,542	22,399
	831,083	819,454

The accompanying notes form part of these financial statements.

THE AUSTRALASIAN MEAT INDUSTRY EMPLOYEES' UNION
SOUTH AUSTRALIAN BRANCH
A.B.N. 44 210 953 242

INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
	\$	\$
EXPENDITURE		
Accountancy & Audit Fees	11,189	23,164
Affiliation Fees	46,850	42,326
Ambulance Benefits & Journey Expenses	21,523	35,790
Bad Debts Written Off	-	1,258
Bank Fees, State & Federal Taxes	5,659	5,259
Campaign Expenses	-	1,684
Commissions & Collection Expenses	22,020	18,676
Contract Work	840	-
Computer Expenses	13,498	9,403
Delegates Meeting Expenses	16,230	9,314
Depreciation	18,455	18,611
Donations	1,323	1,895
Employee Expenses	491,940	453,097
Fringe Benefits Tax	4,177	2,825
Insurance	11,790	8,413
Interest Paid	48	3,514
Legal & Industrial Expenses	9,084	812
Motor Vehicle Expenses	46,827	54,799
Postage, Printing & Stationery	19,000	20,908
Prior Year Adjustment	-	520
Provision for LSL	(9,135)	10,912
Publications & Subscriptions	1,238	1,589
Rent & Occupancy Expenses	51,635	40,712
Sundry Expenses	6,293	5,037
Telephone	12,355	14,360
Travelling Expenses	42,016	45,737
	<u>844,855</u>	<u>830,615</u>
(Loss) / Surplus	<u>(13,772)</u>	<u>(11,161)</u>
(Loss) / Surplus for the year	(13,772)	(11,161)
Retained earnings at the beginning of the financial year	<u>143,207</u>	<u>154,368</u>
Retained earnings at the end of the financial year	<u>129,435</u>	<u>143,207</u>

The accompanying notes form part of these financial statements.