



4 January 2018

Ms Sharra Anderson
Branch Secretary-Treasurer
Australasian Meat Industry Employees Union, The-SA & WA Branch
227 Henley Beach Road
TORRENSVILLE SA 5031
By email: admin@sawa.amieu.asn.au
CC: gkent@mqisq.com.au

Dear Ms Anderson,

**Australasian Meat Industry Employees Union, The-SA & WA Branch
Financial Report for the year ended 30 June 2017 - [FR2017/176]**

I acknowledge receipt of the financial report of The Australasian Meat Industry Employees Union - SA & WA Branch (the reporting unit). The documents were lodged with the Registered Organisations Commission (the ROC) on 12 December 2017.

The financial report has now been filed.

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

Please note that the financial report for the year ending 30 June 2018 may be subject to an advanced compliance review.

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

Auditor's report: uncertainty regarding continuation as a going concern

I note that the Auditor's Report draws attention to Note 1.20 and states that the reporting unit made a loss of \$94,125, has a deficiency in current assets of \$55,853, and that these figures indicate the existence of a material uncertainty that may cast doubt about the reporting unit's ability to continue as a going concern.

I remind the officers of the reporting unit of their duties under sections 285 and 287 of the RO Act in relation to the financial management of the reporting unit. These sections require officers to exercise their powers and discharge their duties with care and diligence, in the best interest of the organisation and not to cause detriment to the organisation (these are civil penalty provisions). It is incumbent on the officers of the reporting unit to take appropriate steps to address the net operating loss and ensure its ongoing solvency.

Reporting Requirements

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

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

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

Yours faithfully

A handwritten signature in blue ink, appearing to read "David Vale", is enclosed in a thin blue rectangular border.

David Vale
Registered Organisations Commission

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – SOUTH AND WESTERN
AUSTRALIA BRANCH**

ABN 44 210 953 242

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

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**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – SOUTH AND WESTERN AUSTRALIA
BRANCH**

COMMITTEE OF MANAGEMENT'S OPERATING REPORT

FOR THE YEAR ENDED 30 JUNE 2017

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 – South and Western Australia Branch ("the Branch"), for the year ended 30 June 2017.

Principal Activities

The principal activity of the Australasian Meat Industry Employees Union – South and Western Australia 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 \$94,125 (2016 deficit: \$52,698).

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 – SOUTH AND WESTERN AUSTRALIA
BRANCH**

COMMITTEE OF MANAGEMENT'S OPERATING REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

Membership of the Branch

Total number of members as at 30 June 2017: 2,423 (2016: 2,418).

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 5.6 (2016: 5.6).

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:

Name	Period of Appointment	Position
Sharra Anderson	1/7/16 – 30/6/17	Branch Secretary
Scott Challinger	1/7/16 – 30/6/17	Branch President
John Da Silva	1/7/16 – 30/6/17	Branch Assistant Secretary
Mark Hatcher	1/7/16 – 30/6/17	Branch Vice President WA
Gordon Davidson	1/7/16 – 30/6/17	Branch Vice President SA
Peter Legg	1/7/16 – 15/7/16	Branch Organiser WA
Kaine Sich	1/7/16 – 30/6/17	Branch Organiser SA
Gregory Mitchell	1/7/16 – 30/6/17	Committee Member SA
Peter Sines	1/7/16 – 30/6/17	Committee Member WA
Sandra Ashwood	1/7/16 – 30/6/17	Committee Member SA
Geoffrey Ackland	1/7/16 – 30/6/17	Committee Member SA
Angela McPhee	1/7/16 – 30/6/17	Committee Member WA
Melanie Richter	1/7/16 – 30/5/17	Committee Member WA
Greg Mitchell	1/7/16 – 30/6/17	Committee Member SA
Matthew Finch	1/7/16 – 30/6/17	Committee Member SA
Murray Pratt	1/7/16 – 30/6/17	Committee Member WA

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 – SOUTH AND WESTERN AUSTRALIA
BRANCH**

COMMITTEE OF MANAGEMENT'S OPERATING REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

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

No officers or committee members 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.

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:



.....
Sharra Anderson
Branch Secretary

28 October 2017

Torrensville

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE COMMITTEE OF MANAGEMENT OF THE
AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION –
SOUTH AND WESTERN AUSTRALIA BRANCH**

As lead auditor for the audit of the Australasian Meat Industry Employees Union – South and Western Australian Branch for the year ended 30 June 2017; 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.G.I

MGI Audit Pty Ltd



G I Kent

Director – Audit & Assurance

Torrensville

28 October 2017

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

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – SOUTH AND WESTERN AUSTRALIA
BRANCH**

COMMITTEE OF MANAGEMENT STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

On 28 October 2017, 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 2017.

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

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Commissioner;
- (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. there have been no orders for inspection of financial records made by the Registered Organisations Commission under section 273 of the *RO Act* during the year.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – SOUTH AND WESTERN AUSTRALIA
BRANCH**

COMMITTEE OF MANAGEMENT STATEMENT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017


- (f) where the reporting unit has derived revenue from undertaking recovery of wages activity:
- (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the Commissioner; and
 - (ii) the committee of management instructed the auditor to include in the scope of the audit required under subsection 257(1) of the RO Act all recovery of wages activity by the reporting unit from which revenues had been derived for the financial year in respect of such activity; and
 - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
 - (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
 - (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

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

Name of Designated Officer: Sharra Anderson

Title of Designated Officer: Branch Secretary

Signature:



.....

Date: 28 October 2017

Independent Audit Report to the Members of the Australasian Meat Industry Employees Union – South and Western Australia Branch

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of the Australasian Meat Industry Employees Union – South and Western Australia Branch (the Branch), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement.

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

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

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

Inherent Uncertainty Regarding Continuation as a Going Concern

Without qualification to the opinion expressed above, we draw attention to Note 1.20 in the financial report, which indicates that the Branch as of 30 June 2017 has a deficiency in current assets of \$55,853, incurred a deficit of \$94,125 and had operating cash outflows of \$107,346. This condition, along with other matters as set forth in Note 1.20 indicate the existence of a material uncertainty that may cast doubt about the Branch's ability to continue as a going concern. Therefore the Branch may be unable to release its assets and discharge its liabilities in the normal course of business in the absence of support by other reporting units or its members.

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.

Auditor's Responsibilities for the Audit of the Financial Report (Continued)

- 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.

Opinion on the recovery of wages activity financial report

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

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

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

Responsibilities

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

M.G.F

MGI Audit Pty Ltd

A handwritten signature in blue ink, appearing to read 'G I Kent', with a long horizontal stroke extending to the right.

G I Kent

Director – Audit & Assurance

Torrensville

28 October 2017

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

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – SOUTH AND WESTERN AUSTRALIA
BRANCH
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017**

	Notes	2017 \$	2016 \$
Revenue			
Membership subscription		754,713	785,118
Sale of goods (knives and merchandise)	4A	(3,409)	1,646
Capitation fees	4B	-	-
Levies	4C	-	-
Interest/ investment income	4D	8,205	3,985
Grants or donations	4E	-	-
Other revenue	4F	28,381	21,118
Total revenue		787,890	811,867
Expenses			
Employee expenses	5A	(582,881)	(563,090)
Capitation fees	5B	(44,914)	(42,595)
Affiliation fees	5C	(19,999)	(18,572)
Administration expenses	5D	(175,564)	(194,848)
Grants or donations	5E	(395)	(108)
Depreciation and amortisation	5F	(17,203)	(20,091)
Finance costs	5G	(8,241)	(8,211)
Legal costs	5H	(2,516)	-
Audit and accounting fees	14	(30,302)	(17,050)
Other expenses	5I	-	-
Total expenses		(882,015)	(864,565)
Deficit for the year		(94,125)	(52,698)
Other comprehensive income			
Other Comprehensive income (net of income tax)			
- Revaluation of available for sale assets		2,910	3,675
Total comprehensive income for the year		(91,215)	(49,023)

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

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – SOUTH AND WESTERN AUSTRALIA
BRANCH
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017**

	Notes	2017 \$	2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6A	41,618	88,964
Trade and other receivables	6B	8,593	2,617
Inventories	6C	42,899	44,297
Other current assets		1,100	1,100
Total current assets		94,210	136,978
Non-Current Assets			
Investments	7A	148,384	145,474
Office equipment and furniture and fittings	7B	16,994	27,591
Motor vehicles	7C	27,502	34,108
Total non-current assets		192,880	207,173
Total assets		287,090	344,151
LIABILITIES			
Current Liabilities			
Trade payables	8A	42,904	8,533
Other payables	8B	17,393	65,477
Employee provisions	9A	89,766	101,899
Total current liabilities		150,063	175,909
Non-Current Liabilities			
Employee provisions	9A	-	-
Loans	9B	60,000	-
Total non-current liabilities		60,000	-
Total liabilities		210,063	175,909
Net assets		77,027	168,242
EQUITY			
Retained earnings		120,155	214,280
Reserves	10	(43,128)	(46,038)
Total equity		77,027	168,242

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

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – SOUTH AND WESTERN AUSTRALIA
BRANCH
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017**

	Notes	Reserves \$	Retained earnings \$	Total equity \$
Balance as at 1 July 2015		(49,713)	266,978	217,265
Deficit for the year		-	(52,698)	(52,698)
Other comprehensive income		3,675	-	3,675
Closing balance as at 30 June 2016		(46,038)	214,280	168,242
Deficit for the year		-	(94,125)	(94,125)
Other comprehensive income		2,910	-	2,910
Closing balance as at 30 June 2017		(43,128)	120,155	77,027

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

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – SOUTH AND WESTERN AUSTRALIA
BRANCH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017**

	Notes	2017 \$	2016 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units	11B	28,628	18,378
Receipts from members and other customers		853,495	887,749
Receipts for recovery of wages		-	40,000
Interest and investment income		5,979	4,563
		888,100	950,690
Cash used			
Employees and suppliers		(899,505)	(861,781)
Payments of recovery of wages		(40,000)	-
Payments to other reporting units	11B	(55,941)	(52,619)
		(995,446)	(914,401)
Net cash (used in)/ provided by operating activities		(107,346)	36,290
INVESTING ACTIVITIES			
Payments for property, plant and equipment		-	-
Proceeds from sale of property, plant and equipment		-	-
Net cash used in investing activities		-	-
FINANCING ACTIVITIES			
Loans received		60,000	-
Net cash provided by financing activities		60,000	-
Net (decrease)/ increase in cash held		(47,346)	36,290
Cash & cash equivalents at the beginning of the reporting period		88,964	52,674
Cash & cash equivalents at the end of the reporting period	6A	41,618	88,964

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

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – SOUTH AND WESTERN AUSTRALIA
BRANCH
RECOVERY OF WAGES ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	\$	\$
Cash assets in respect of recovered money at beginning of year	40,000	-
Receipts		
Amounts recovered from employers in respect of wages etc.	-	40,000
Interest received on recovered money	-	-
Total receipts	-	40,000
Payments		
Deductions of amounts due in respect of membership for:		
12 months or less	-	-
Greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:		
The reporting unit:		
name of account	-	-
name of fund	-	-
Name of other reporting unit of the organisation:		
name of account	-	-
name of fund	-	-
Name of other entity:		
name of account	-	-
name of fund	-	-
Deductions of fees or reimbursement of expenses	-	-
Payments to workers in respect of recovered money	(40,000)	-
Total payments	(40,000)	-
Cash assets in respect of recovered money at end of year	-	40,000
Number of workers to which the monies recovered relates	-	15
Aggregate payables to workers attributable to recovered monies but not yet distributed		
Payable balance	-	40,000
Number of workers the payable relates to	-	15

Fund or account operated for recovery of wages

The Branch operated the following bank account in respect of recovery of wages activity in the current and comparative periods:

Account Name: AMIEU – South and Western Australia Branch
BSB: 065-005
Account Number: 00905397

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

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – SOUTH AND WESTERN AUSTRALIA
BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

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**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – SOUTH AND WESTERN AUSTRALIA
BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

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 – South and Western Australia 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.

On-cost for employee entitlement provision

The Branch revised its estimate for on-costs for employee provision during the year to include superannuation, workers compensation and payroll tax.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – SOUTH AND WESTERN AUSTRALIA
BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

Note 1 Summary of significant accounting policies (Continued)

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

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

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact on the Branch include:

- AASB 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

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

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

The Committee of Management does not believe the effects of AASB 9 will significant affect the Branch.

- AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: Amendments to Australian Accounting Standards – Effective Date of AASB 15).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

The Committee of Management does not believe the effects of AASB 15 will significant affect the Branch.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – SOUTH AND WESTERN AUSTRALIA
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

Note 1 Summary of significant accounting policies (Continued)

1.4 New Australian Accounting Standards (Continued)

Future Australian Accounting Standards Requirements (continued)

- 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.

Although the Committee of Management anticipate that the adoption of AASB 16 will impact the Branch's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

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.

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BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

Note 1 Summary of significant accounting policies (Continued)

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.

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.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – SOUTH AND WESTERN AUSTRALIA
BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

Note 1 Summary of significant accounting policies (Continued)

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.

1.11 Financial instruments

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

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

1.12 Financial assets

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

Fair value through profit or loss

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

A financial asset is classified as held for trading if:

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

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – SOUTH AND WESTERN AUSTRALIA
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

Note 1 Summary of significant accounting policies (Continued)

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

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

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

Held-to-maturity investments

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

Available-for-sale

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

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

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – SOUTH AND WESTERN AUSTRALIA
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

Note 1 Summary of significant accounting policies (Continued)

Loan and receivables

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

Effective interest method

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

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

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

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

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

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

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

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – SOUTH AND WESTERN AUSTRALIA
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

Note 1 Summary of significant accounting policies (Continued)

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

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

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

Derecognition of financial assets

The Branch derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

1.13 Financial Liabilities

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

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – SOUTH AND WESTERN AUSTRALIA
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

Note 1 Summary of significant accounting policies (Continued)

Fair value through profit or loss

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

A financial liability is classified as held for trading if:

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

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

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

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

Other financial liabilities

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

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

Derecognition of financial liabilities

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

1.14 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.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

Note 1 Summary of significant accounting policies (Continued)

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:

	2017	2016
Motor Vehicles	4 years	4 years
Office equipment and furniture and Fittings	2 – 10 years	2 – 10 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.

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.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

Note 1 Summary of significant accounting policies (Continued)

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.

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 16.

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 – SOUTH AND WESTERN AUSTRALIA
BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

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 Inventories

Inventories are measured at the lower of cost and net realisable value.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – SOUTH AND WESTERN AUSTRALIA
BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

Note 1 Summary of significant accounting policies (Continued)

1.20 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.

Notwithstanding the Branch's deficient current asset position of \$55,853 (2016: deficiency - \$38,931), the Branch incurred a material deficit of \$94,125 and operating cash outflows of \$107,346 during the 30 June 2017 year, the financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business

The Committee of Management has determined that the financial report should be prepared on a going concern basis due to the following reasons:

- The Branch's current liabilities at 30 June 2017 totalled \$150,063 of which \$89,766 relate to employee leave entitlements. The Committee of Management believe that not all of these leave entitlements are likely to be paid out within the next 12 months (even though they are currently vesting and the Branch does not have an unconditional right of deferral of more than 12 months).
- The Branch has cash reserves of \$41,618 at 30 June 2017.
- The Branch continues to meet its current creditor commitments.
- The Committee of Management and Branch Secretary continue to maintain a focus on both increasing the number of financial members and reducing operating costs of the Branch.

The Committee of Management also note that at the date of approval of the financial statements, no formal request for financial assistance has been sought by the Branch from any other reporting unit with the Australasian Meat Industry Employees Union.

Having regard to the above factors, the Committee of Management are of the opinion that the basis upon which the financial report is presented is appropriate given the circumstances. Accordingly, no adjustments have been made to the recoverability and reclassification of recorded asset amounts and classification of liabilities that might be necessary should the Branch not continue as a going concern.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – SOUTH AND WESTERN AUSTRALIA
BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

Note 2 Prior period error

A prior period error has been identified in the 2016 financial statements in respect to the accounting for wage recovery and allocation of various levies and affiliation fees. A review of wage recovery transactions and affiliation fees expense was conducted and the following has been reflected in the financial statements:

Statement of Comprehensive Income	Note	Previously Audited (30 June 2016)	Adjustments	Revised (30 June 2016)
Revenue				
Membership subscription	i	825,118	(40,000)	785,118
Capitation fees		-	-	-
Levies		-	-	-
Interest and investment income		3,985	-	3,985
Trading income		1,646	-	1,646
Grants or donations		-	-	-
Other revenue		21,118	-	21,118
Total Revenue		851,867	(40,000)	811,867
Expenses				
Employee expenses		(563,090)	-	(563,090)
Capitation fees	ii	(58,082)	15,487	(42,595)
Affiliation fees	ii	(13,109)	(5,463)	(18,572)
Administration expenses	ii	(184,824)	(10,024)	(194,848)
Grants or donations		(108)	-	(108)
Depreciation and amortisation		(20,091)	-	(20,091)
Legal costs		-	-	-
Finance costs		(8,211)	-	(8,211)
Audit fees		(17,050)	-	(17,050)
Other expenses		-	-	-
Total expenses		(864,565)	-	(864,565)
Deficit for the year		(12,698)	(40,000)	(52,698)
Other comprehensive income				
Fair value gain on available-for-sale assets		3,675	-	3,675
Total comprehensive income for the year		(9,023)	(40,000)	(49,023)

Notes

- i. The Branch incorrectly recorded wage recovery as membership subscription income. These funds relate to the recovery of wages on behalf of members and therefore is not income collected from members.
- ii. The Branch incorrectly disclosed a compulsory levy of \$10,024 imposed by the AMIEU – Federal Council as a capitation fee. Further, the Branch incorrectly disclosed \$5,463 as a capitation fee paid to the Australian Labor Party. This has subsequently been reallocated to affiliation fees.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – SOUTH AND WESTERN AUSTRALIA
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

Note 2 Prior period error (continued)

Statement of Financial Position	Note	Previously Audited (30 June 2015)	Adjustments	Revised (30 June 2015)	Previously Audited (30 June 2016)	Adjustments	Revised (30 June 2016)
ASSETS							
Current Assets							
Cash and cash equivalents		52,674		52,674	88,964		88,964
Trade and other receivables		8,530	-	8,530	2,617	-	2,617
Inventories		51,840		51,840	44,297		44,297
Other current assets	i	-	1,100	1,100	-	1,100	1,100
Total current assets		113,044	1,100	114,144	135,878	1,100	136,978
Non-Current Assets							
Office equipment and furniture and fittings		39,059	-	39,059	27,591	-	27,591
Motor vehicles		42,731	-	42,731	34,108		34,108
Investments	j	142,899	(1,100)	141,799	146,574	(1,100)	145,474
Total Non-current assets		224,689	(1,100)	223,589	208,273	(1,100)	207,173
Total assets		337,733	-	337,733	344,151	-	344,151
LIABILITIES							
Current Liabilities							
Trade Payables		12,726		12,726	8,533	-	8,533
Other Payables	ii	17,692	-	17,692	25,477	40,000	65,477
Employee Provisions		90,050	-	90,050	101,899	-	101,899
Total current liabilities		120,468		120,468	135,909	40,000	175,909
Non-Current Liabilities							
Employee Provisions		-	-	-	-	-	-
Total non-current liabilities		-	-	-	-	-	-
Total liabilities		120,468	-	120,468	135,909	40,000	175,909
Net Assets		217,265	-	217,265	208,242	(40,000)	168,242
EQUITY							
Reserves	iii	167,218	(167,218)	-	167,218	(167,218)	-
Available for sale reserve	iv		(49,713)	(49,713)		(46,038)	(46,038)
Retained earnings	v	50,047	216,931	266,978	41,024	173,256	214,280
Total equity		217,265	-	217,265	208,242	(40,000)	168,242

Notes

- i. The Branch had previously recorded a security deposit on a leased building as an investment. This has been reallocated to other current assets.
- ii. In June 2016, the Branch was successful in recovering \$40,000 in wages on behalf of members. It was incorrectly treated as membership subscriptions and not reflected as payable at reporting date. It has therefore subsequently been corrected.
- iii. During the 2010 financial year, the South Australia and Western Australia branches merged. At the time of the merger, the net assets of the Western Australia Branch was \$167,218 and was incorrectly recorded as a reserve. This should have been accounted for via the profit and loss accounts and ultimately been reflected in the Branch's retained earnings.
- iv. The Branch has an available for sale asset associated with the Colonial First State managed funds. Previously any gain/ loss has been recorded directly in retained earnings and not the AFS reserve.
- v. Retained earnings adjustment reflects the net impact associated with points ii. – iv. above.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – SOUTH AND WESTERN AUSTRALIA
BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

Note 2 Prior period error (continued)

Statement of Cash Flows

The above disclosed prior period error did not impact the statement of cash flows.

Note 3 Events after the reporting period

There were no events that occurred after 30 June 2017, and /or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Branch.

	2017	2016
	\$	\$
Note 4 Income		
Note 4A: Sale of goods (knives and merchandise)		
Sale of knives and merchandise	22,149	24,779
Less: cost of sales	<u>(25,558)</u>	<u>(23,133)</u>
	<u>(3,409)</u>	1,646
Note 4B: Capitation fees	-	-
Total capitation fees	<u>-</u>	<u>-</u>
Note 4C: Levies	-	-
Total levies	<u>-</u>	<u>-</u>
Note 4D: Interest and investment income		
Interest of deposits	287	445
Investment income on managed investments	<u>7,918</u>	<u>3,540</u>
Total interest and investment income	<u>8,205</u>	<u>3,985</u>
Note 4E: Grants or donations		
Grants	-	-
Donations	<u>-</u>	<u>-</u>
Total grants or donations	<u>-</u>	<u>-</u>
Note 4F: Other Income		
Federal Council administration fees	13,000	11,000
Tasmania Branch administration fees	13,624	9,848
Other	<u>1,757</u>	<u>270</u>
Total other income	<u>28,381</u>	<u>21,118</u>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	\$	\$
Note 5 Expenses		
Note 5A: Employee expenses		
Holders of office:		
Wages and salaries	272,913	304,976
Superannuation	27,982	32,023
Leave and other entitlements	5,999	9,018
Separation and redundancies	27,109	-
Subtotal employee expenses holders of office	334,003	346,017
Employees other than office holders:		
Wages and salaries	130,156	112,667
Superannuation	14,226	11,271
Leave and other entitlements	5,710	2,831
Separation and redundancies	-	22,247
Subtotal employee expenses employees other than office holders	150,092	149,016
Other employee expenses		
Payroll tax	-	-
Fringe benefits tax	5,508	7,423
Workcover	7,527	6,297
Motor vehicle expenses	32,903	33,765
Travel expense	52,848	20,572
Total other employee expenses	98,786	68,057
Total employee expenses	582,881	563,090
Note 5B: Capitation fees		
Australasian Meat Industry Employees Union – Federal Council	44,914	42,595
Total capitation fees	44,914	42,595
Note 5C: Affiliation fees		
Australian Labor Party	7,578	5,463
Unions WA	6,373	6,213
SA unions	6,048	5,974
Union Shopper	-	922
Total affiliation fees	19,999	18,572

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	\$	\$
Note 5D: Administration and other operating expenses		
Consideration to employers for payroll deductions	-	-
Conferences and meeting expenses	2,859	1,872
Compulsory levies		
Australasian Meat Industry Employees Union – Federal Council	2,200	10,024
Property expenses	48,848	46,888
Office expenses	62,386	67,515
Information technology expenses	23,489	26,422
Insurance expenses	35,782	42,127
Fees/ allowances	-	-
Total administration and other operating expense	<u>175,564</u>	<u>194,848</u>
Note 5E: Grants or donations		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	395	108
Total paid that exceeded \$1,000	-	-
Total grants or donations	<u>395</u>	<u>108</u>
Note 5F: Depreciation expense		
Depreciation		
Office equipment and furniture and fittings	10,597	11,468
Motor Vehicles	6,606	8,623
Total depreciation expense	<u>17,203</u>	<u>20,091</u>
Note 5G: Finance costs		
Finance costs	8,241	8,211
Total finance costs	<u>8,241</u>	<u>8,211</u>
Note 5H: Legal costs		
Litigation	2,516	-
Other legal matters	-	-
Total legal costs	<u>2,516</u>	<u>-</u>

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – SOUTH AND WESTERN AUSTRALIA
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	\$	\$
Note 5I: Other expenses		
Penalties - via RO Act or RO Regulations	-	-
Total other expenses	<u>-</u>	<u>-</u>
Note 6 Current Assets		
Note 6A: Cash and Cash Equivalents		
Cash at bank	41,118	88,464
Cash on hand	500	500
Total cash and cash equivalents	<u>41,618</u>	<u>88,964</u>
Note 6B: Trade and Other Receivables		
Receivables from other reporting units		
Australasian Meat Industry Employees Union – Tasmania Branch	1,036	-
Less provision for doubtful debts (reporting units)	-	-
Receivable from other reporting units (net)	<u>1,036</u>	<u>-</u>
Other receivables:		
Accrued income	2,226	-
GST receivable	1,500	-
Other trade receivables	8,439	7,225
Less provision for doubtful debts (other receivables)	(4,608)	(4,608)
Total other receivables	<u>7,557</u>	<u>2,617</u>
Total trade and other receivables (net)	<u>8,593</u>	<u>2,617</u>
Note 6C: Inventories		
Finished Goods (Knives)	42,899	44,297
Total Inventories	<u>42,899</u>	<u>44,297</u>

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – SOUTH AND WESTERN AUSTRALIA
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

Note 7	Non-current Assets	2017	2016
		\$	\$
Note 7A: Managed Investments			
Financial assets (Colonial First State)		148,384	145,474
Total Managed Investments		148,384	145,474

The Committee of Management's expectation is that the Branch will continue to hold onto this managed investment fund for a period of greater than 12 months (i.e. a non-current asset). The various Colonial First State managed funds has been classified as an available for sale asset. The Branch holds an investment within the First Choice Australian Share, First Choice Property Securities, CFS Imputation and Perpetual Industrial Share managed funds.

Note 7B: Office equipment and furniture and fittings

Office equipment and furniture and fittings:

at cost	145,176	145,176
accumulated depreciation	(128,182)	(117,585)
Total furniture and fittings	16,994	27,591

Reconciliation of Opening and Closing Balances of Office Equipment and Furniture and Fittings

As at 1 July		
Gross book value	145,176	145,176
Accumulated depreciation and impairment	(117,585)	(106,117)
Net book value 1 July	27,591	39,059
Additions:		
By purchase	-	-
Depreciation expense	(10,597)	(11,468)
Disposals:		
By sale	-	-
Net book value 30 June	16,994	27,591
Net book value as of 30 June represented by:		
Gross book value	145,176	145,176
Accumulated depreciation and impairment	(128,182)	(117,585)
Net book value 30 June	16,994	27,591

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – SOUTH AND WESTERN AUSTRALIA
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	\$	\$
Note 7C: Motor Vehicles		
Motor Vehicles:		
at cost	83,690	83,690
accumulated depreciation	(56,188)	(49,582)
Total motor vehicles	27,502	34,108

Reconciliation of Opening and Closing Balances of Motor Vehicles

As at 1 July		
Gross book value	83,690	83,690
Accumulated depreciation and impairment	(49,582)	(40,959)
Net book value 1 July	34,108	42,731
Additions:		
By purchase	-	-
Depreciation expense	(6,606)	(8,623)
Disposals:		
By sale	-	-
Net book value 30 June	27,502	34,108
Net book value as of 30 June represented by:		
Gross book value	83,690	83,690
Accumulated depreciation and impairment	(56,188)	(49,582)
Net book value 30 June	27,502	34,108

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	\$	\$
Note 8 Current Liabilities		
Note 8A: Trade payables		
Trade creditors and accruals	30,441	8,533
Subtotal trade creditors	30,441	8,533
Payables to other reporting units		
Australasian Meat Industry Employees Union – Federal Council	2,200	-
Australasian Meat Industry Employees Union – New South Wales Branch	2,263	-
Subtotal payables to other reporting units	4,463	-
Total trade payables	42,904	8,533
Settlement is usually made within 30 days.		
Note 8B: Other payables		
Superannuation	3,521	11,714
Consideration to employers for payroll deductions	-	-
Legal costs		
Litigation	-	-
Other legal matters	-	-
GST payable	-	4,423
PAYG payable	6,083	6,385
Recovery of wages (payable to members)	-	40,000
Other	7,789	2,955
Total other payables	17,393	65,477
Total other payables are expected to be settled in:		
No more than 12 months	17,393	65,477
More than 12 months	-	-
Total other payables	17,393	65,477

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – SOUTH AND WESTERN AUSTRALIA
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	\$	\$
Note 9 Non-current liabilities		
Note 9A: Employee Provisions		
Office Holders:		
Annual leave	-	-
Long service leave	74,756	77,743
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—office holders	74,756	77,743
Employees other than office holders:		
Annual leave	6,169	7,347
Long service leave	8,841	16,809
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—employees other than office holders	15,010	24,156
Total employee provisions	89,766	101,899
Current	89,766	101,899
Non-Current	-	-
Total employee provisions	89,766	101,899

Note 9B: Loans

Loans payable		
Australasian Meat Industry Employees Union – Queensland Branch	15,000	-
Australasian Meat Industry Employees Union – Newcastle and Northern Branch	15,000	-
Australasian Meat Industry Employees Union – New South Wales Branch	15,000	-
Australasian Meat Industry Employees Union – Victoria Branch	15,000	-
	60,000	

Loan terms and conditions

During the year the Branch borrowed \$15,000 from the above reporting units. The terms and conditions of the above loans are:

1. The loan is interest free
2. The loan is to be repaid upon the Branch obtaining 2,200 financial members or 4 years, whichever is shorter.
3. The loans are unsecured

The loans have not been discounted as the amount was deemed immaterial by the Branch Committee of Management.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – SOUTH AND WESTERN AUSTRALIA
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	\$	\$
Note 10 Reserves		

Note 10A: Available for sale reserve

The available for sale reserve records revaluation of financial assets.

Rollforward of AFS reserve

Opening balance – 1 July	(46,038)	(49,713)
Current year revaluation	2,910	3,675
Closing balance – 30 June	(43,128)	(46,038)

Note 11 Cash Flow

Note 11A: 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	41,618	88,964
Statement of financial position	41,618	88,964
Difference	-	-

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION –
SOUTH AND WESTERN AUSTRALIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

Note 11A: Cash Flow Reconciliation (Continued)

	2017	2016
	\$	\$
Reconciliation of deficit to net cash from operating activities:		
Deficit for the year	(94,125)	(52,698)
Adjustments for non-cash items		
Depreciation/ amortisation	17,203	20,091
Changes in assets/liabilities		
(Increase)/ decrease in net receivables	(4,476)	5,914
(increase)/ decrease in inventories	1,398	7,543
Increase/ (decrease) in creditors and other payables	(15,213)	43,591
Increase/ (decrease) in employee provisions	(12,133)	11,849
Net cash (used in)/ provided by operating activities	<u>(107,346)</u>	<u>36,290</u>

Note 11B: Cash flow information

Cash inflows from other reporting units		
AMIEU – Federal Council	14,300	11,070
AMIEU – Tasmania Branch	14,326	7,308
Total cash inflows	<u>28,626</u>	<u>18,378</u>
Cash outflows to other reporting units		
AMIEU – Federal Council	51,677	52,619
AMIEU – Queensland Branch	4,264	-
Total cash outflows	<u>55,941</u>	<u>52,619</u>

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

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

Note 11C: Credit standby arrangements and loan facilities

The Branch has a credit card facility amounting to \$1,500 (2016: \$1,500). This may be terminated at any time at the option of the bank. The balance of this facility is cleared monthly and interest rates are variable.

Note 11D: Non-cash transactions

There have been no non-cash financing or investing activities during the year (2016: Nil).

Note 12 Contingent Liabilities, Assets and Commitments

Note 12A: Commitments and Contingencies

Capital commitments

At 30 June 2017 the Branch did not have any capital commitments (2016: Nil).

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.

	2017	2016
	\$	\$
Leasing Commitments		
Operating Leases (as a lessee)		
Non-cancellable operating leases contracted for but not capitalised in the financial statements.		
Payable – Minimum lease payments		
not later than 12 months	30,000	30,000
between 12 months and 5 years	32,500	62,500
greater than 5 years	-	-
Minimum lease payments	<u>62,500</u>	<u>92,500</u>

The Branch leases office space at both 227 Henley Beach Road, Torrensville, South Australia and 22/ 10 Pavonia Link, Clarkson, Western Australia. The leases are between 2 to 5 years and increase at a rate of 3% or CPI, whichever is higher.

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – SOUTH AND WESTERN AUSTRALIA BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

Note 13 Related Party Disclosures

**Note 13A: 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 – New South Wales Branch (AMIEU – NSW 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)

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

	2017	2016
	\$	\$
Revenues received from AMIEU – Federal Council includes the following:		
Office administration fees	13,000	11,000
Expenses paid to AMIEU – Federal Council includes the following:		
Capitation fees	44,915	42,595
Levies	2,200	10,024
Purchase of meatworker journals	1,261	-
Purchase of equal pay postcards	68	-
Purchase of AMIEU medallions	736	-
Amounts owed to AMIEU – Federal Council include the following:		
Levies	2,200	-
Amounts owed to AMIEU – Newcastle and Northern Branch include the following:		
Loan	15,000	-
Amounts owed to AMIEU – VIC Branch include the following:		
Loan	15,000	-

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

Note 13 Related Party Disclosures (Continued)

**Note 13A: Related Party Transactions for the Reporting Period
Holders of office and related reporting units (Continued)**

	2017	2016
	\$	\$
Expenses paid to AMIEU – QLD Branch includes the following:		
Reimbursement of travel costs	4,264	-
Amounts owed to AMIEU – QLD Branch include the following:		
Loan	15,000	
Expenses paid to AMIEU – NSW Branch includes the following:		
Reimbursement of travel costs	2,262	-
Amounts owed to AMIEU – NSW Branch include the following:		
Loan	15,000	-
Reimbursement of travel costs (trade creditors)	2,262	-
Revenues received from AMIEU – TAS Branch includes the following:		
Office administration fees	13,624	9,848
Reimbursement of member mail-out costs	341	-

During the year the Branch agreed to borrow \$60,000 (comprising of \$15,000 from the Qld, Newcastle and Northern, NSW and VIC Branches) 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 loans payable to the AMIEU – Qld, Newcastle and Northern, NSW and Vic Branches, the sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2017, the Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2016: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

Note 13 Related Party Disclosures (Continued)

	2017	2016
	\$	\$
Note 13B: Key Management Personnel Remuneration for the Reporting Period		
Short-term employee benefits		
Salary (including annual leave taken)		
Annual and personal leave accrued	272,913	304,976
Other	-	-
Total short-term employee benefits	272,913	304,976
Post-employment benefits:		
Superannuation	27,982	32,023
Total post-employment benefits	27,982	32,023
Other long-term benefits:		
Long-service leave	5,999	9,018
Total other long-term benefits	5,999	9,018
Termination benefits	27,109	-
Total	334,003	346,017

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.

Note 14 Remuneration of Auditors

Value of the services provided

Financial statement audit services – current year	11,700	15,000
Financial statement audit services – prior year	15,450	-
Audit of ECSA disclosure forms	3,000	-
Other services	152	2,050
Total remuneration of auditors	30,302	17,050

Other services provided to the Branch include assistance with the preparation of the financial statements and taxation services (FBT & GST services).

The auditor the Branch changed from 360 Private Wealth By Design Pty Ltd to MGI Audit Pty Ltd.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – SOUTH AND WESTERN AUSTRALIA
BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

Note 15 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.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

Note 15 Financial Instruments (Continued)

Ageing of financial assets that were past due but not impaired for 2017

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade and other receivables	7,557	-	-	4,608	12,165
Receivables from other reporting units	1,036	-	-	-	1,036
Total	8,593	-	-	4,608	13,201

Ageing of financial assets that were past due but not impaired for 2016

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade and other receivables	2,617	-	-	4,608	7,225
Receivables from other reporting units	-	-	-	-	-
Total	2,617	-	-	4,608	7,225

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 2017, 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 2017 (2016: Nil).

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BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

Note 15 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	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade and other payables	60,297	74,010	-	-	-	-	60,297	74,010
Loans	-	-	60,000	-	-	-	60,000	-
Total expected outflows	60,297	74,010	60,000	-	-	-	120,297	74,010
Financial assets – cash flow receivable								
Cash and cash equivalents	41,618	88,964	-	-	-	-	41,618	88,964
Trade and other receivables	8,593	2,617	-	-	-	-	8,593	2,617
Managed investments	-	-	-	-	148,384	145,474	148,384	145,474
Total anticipated inflows	50,211	91,581	-	-	148,384	145,474	198,595	237,055
Net (outflow) / inflow on financial instruments	(10,086)	17,571	(60,000)	-	148,384	145,474	78,298	163,045

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – SOUTH AND WESTERN AUSTRALIA
BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

Note 15 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.

The financial instruments which expose the Branch to interest rate risk are limited to its cash reserves.

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 within a managed investment fund. Such risk is managed through diversification of investments across industries and geographical locations.

The Branch's investments are held in the following sectors at reporting date:

	2017	2016
	%	%
Cash assets	4.0%	4.0%
Property	36.4%	36.4%
Australian shares	59.6%	59.6%

- iii. Foreign exchange risk
The Branch is not exposed to direct fluctuations in foreign currencies.
- iv. Price risk
The Branch is no 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.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – SOUTH AND WESTERN AUSTRALIA
BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

Note 15 Financial Instruments (Continued)

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.

	Profit \$	Equity \$
Year ended 30 June 2017		
+2% in interest rates	832	832
-2% in interest rates	(832)	(832)
+/-10% in managed investment funds	14,838	14,838
Year ended 30 June 2016		
+2% in interest rates	1,779	1,779
-2% in interest rates	(1,779)	(1,779)
+/-10% in managed investment funds	14,547	14,547

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 – SOUTH AND WESTERN AUSTRALIA
BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

Note 16 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	2017		2016	
		Carrying value	Fair value	Carrying value	Fair value
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	(i)	41,618	41,618	88,964	88,964
Accounts receivable and other debtors	(i)	8,593	8,593	2,617	2,617
Financial assets at fair value through profit or loss:					
- at fair value					
- managed investment funds	(ii)	148,384	148,384	145,474	145,474
Total financial assets		198,595	198,595	237,055	237,055
Financial liabilities					
Accounts payable and other payables	(i)	60,297	60,297	74,010	74,010
Loans payable		60,000	60,000	-	-
Total financial liabilities		120,297	120,297	74,010	74,010

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 (via a managed investment fund), closing quoted bid prices at the end of the reporting period are used.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – SOUTH AND WESTERN AUSTRALIA
BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

Note 16 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 – SOUTH AND WESTERN AUSTRALIA
BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

Note 16 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 2017

	Note	Date of Valuation	Level 1	Level 2	Level 3
			\$	\$	\$
Assets measured at fair value					
Financial Assets at fair value through profit or loss					
-	7A	30 June 2017	148,384	-	-
Total financial assets recognised at fair value on a recurring basis			<u>148,384</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 2016

	Note	Date of Valuation	Level 1	Level 2	Level 3
			\$	\$	\$
Assets measured at fair value					
Financial Assets at fair value through profit or loss					
-	7A	30 June 2016	145,474	-	-
Total financial assets recognised at fair value on a recurring basis			<u>145,474</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 – SOUTH AND WESTERN AUSTRALIA
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

Note 17 Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commission:

- (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 18 Branch Details

The registered office of the Branch is:

227 Henley Beach Road
TORRENSVILLE SA 5031

Note 19 Segment Information

The Branch operates solely in one reporting segment, being the provision of industrial services in both South Australia and Western Australia.

Note 20 Other Acquisitions of Assets or Liabilities

During the financial year the Branch has not acquired an asset or liability as a result of:

- (a) An amalgamation under Part 2 of Chapter 3 of the *Fair Work (Registered Organisations) Act 2009*.
- (b) A restructure of Branches of the organisation.
- (c) A determine by the Commission under subsection 245(1) of the *Fair Work (Registered Organisations) Act 2009* of an alternative reporting structure for the organisation.
- (d) A revocation by the Commission under subsection 249(1) of the *Fair Work (Registered Organisations) Act 2009* of a certificate issued to the organisation under subsection 241(1).
- (e) A business combination.



9 August 2017

Ms Sharra-Leagh Anderson
Branch Secretary-Treasurer
South Australian/Western Australian Branch
The Australasian Meat Industry Employees Union
By Email: admin@sawa.amieu.asn.au

Dear Ms Anderson,

**Re: Lodgement of Financial Report - [FR2017/176]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

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

Loans Grants and Donations Statement

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

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

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

Financial report

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

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

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

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

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

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

Auditor's report

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

REMINDER

YOUR AUDITOR MUST BE REGISTERED (s.256)

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

Contact

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

Yours faithfully,

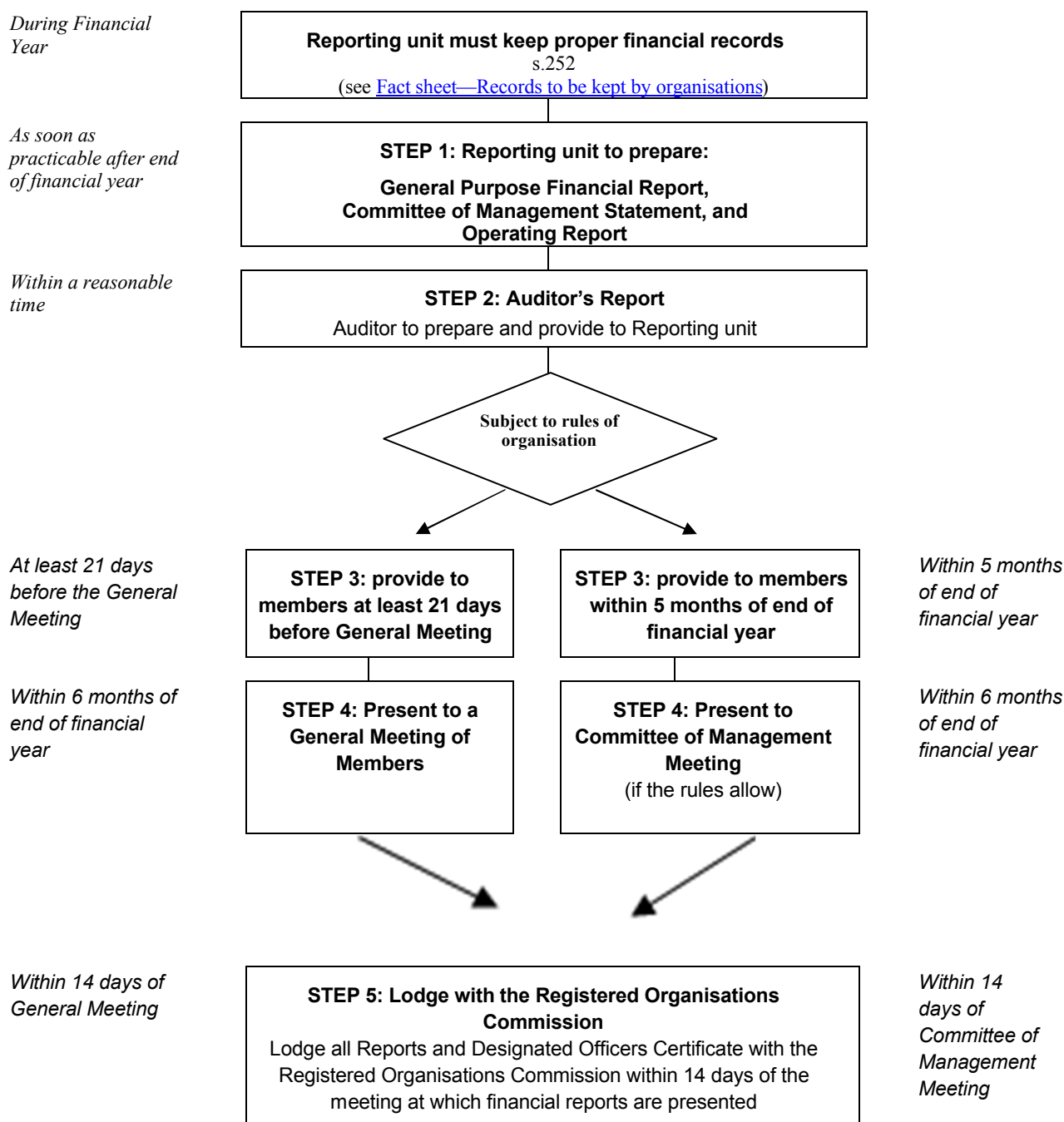
Carolyn Moloney
Registered Organisations Commission



Fact sheet

Summary of financial reporting timelines – s.253 financial reports

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





Fact sheet

Loans, Grants & Donations

The Loans, Grants & Donations Requirements

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

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

The Loans, Grants & Donations Statement

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





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



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

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

Common misconceptions

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

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

	Statements can be lodged with the financial report.		The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.
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Grants & Donations within the Financial Report

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

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

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

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

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

Implications for filing the Financial Report

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

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

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

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

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

Further information

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



Guidance Note

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

Prepared and issued by the Registered Organisations Commission

Version	Date published
1	4 August 2017

1. Introduction

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

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

2. Background to the revised Auditing Standard

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

The purpose of the change is to:

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

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

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

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

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

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

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

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

<To be printed on Auditor letterhead>

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

Report on the Audit of the Financial Report

Opinion

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

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

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

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

Basis for Opinion

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

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

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

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

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

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

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

³ Ibid paragraph 9

⁴ Ibid paragraph 9

⁵ Ibid paragraph 9

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

⁷ Ibid paragraph 7

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

Responsibilities of Committee of Management for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

[Report on Other Legal and Regulatory Requirements]⁸

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

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

[Example:

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

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

Opinion on the recovery of wages activity financial report

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

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

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

Responsibilities

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

<Audit Firm Name>

<Name>

Partner

⁸ Ibid paragraph 11

⁹ Ibid paragraph 11

<City>
<Date>

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

¹⁰ Ibid paragraph 12

5. Illustrative Auditor's Report Notes

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

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

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

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

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