



10 January 2020

Sharra-Leagh Anderson
Branch Secretary-Treasurer
The Australasian Meat Industry Employees' Union - South and Western Australian Branch
Sent via email: sharra@sawa.amieu.asn.au
CC: gkent@mgisq.com.au

Dear Sharra-Leagh Anderson,

**The Australasian Meat Industry Employees' Union - South and Western Australian Branch
Financial Report for the year ended 30 June 2019 – (FR2019/155)**

I acknowledge receipt of the financial report for the year ended 30 June 2019 for the Australasian Meat Industry Employees' Union - South and Western Australian Branch. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 28 November 2019.

The financial report has now been filed.

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

Please note that the financial report for the year ending 30 June 2020 may be subject to an advanced compliance review.

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

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

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

- "Agree to receive financial support from another reporting unit to continue as a going concern" and "agree to provide financial support to another reporting unit to ensure they continue as a going concern" are disclosed in both note 1.20 and the officer's declaration statement.

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

Reporting Requirements

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

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

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

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Kylie', written over a horizontal line.

Kylie Ngo
Registered Organisations Commission

227 Henley Beach Rd
Torrensville
SA 5031



AUSTRALASIAN MEAT INDUSTRY EMPLOYEES' UNION

South and Western Australian
Branch

(Registered under the Fair Work Act 2009)

ABN: 44 210 953 242

Telephone: (08) 8274 4100

Facsimile: (08) 8274 4101

Toll Free: 1800 882 645

(Country and WA members)

Email: admin@sawa.amieu.asn.au

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

21st November 2019

Registered Organisations Commission

Via: regorgs@roc.gov.au

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – SOUTH AND WESTERN AUSTRALIA BRANCH

I, Sharra Anderson being the Branch Secretary of the Australasian Meat Industry Employees Union – South and Western Australia Branch certify:

- that the documents lodged herewith are copies of the full report for the Australasian Meat Industry Employees Union – South and Western Australia Branch for the year ended 30 June 2019, referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 14th October; and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on 16th November 2019 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer

.....
Sharra Anderson
Branch Secretary

Australasian Meat Industry Employees Union – South and Western Australia Branch

21st November 2019

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

ABN 44 210 953 242

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

CONTENTS

Page No

Committee of Management's Operating Report.....	3
Auditor's Independence Declaration.....	6
Committee of Management Statement.....	7
Independent Audit Report.....	9
Statement of Comprehensive Income	11
Statement of Financial Position	12
Statement of Changes in Equity	13
Statement of Cash Flows	14
Report Required under Subsection 255(2A) of the <i>Fair Work (Registered Organisations) Act 2009</i>	15
Notes to the Financial Statements.....	16
Officers Declaration Statement.....	57

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

COMMITTEE OF MANAGEMENT'S OPERATING REPORT

FOR THE YEAR ENDED 30 JUNE 2019

Operating Report

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

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 \$6,438.

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 2019

Membership of the Branch

Total number of members as at 30 June 2019: 2,020.

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 4.95.

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	01/07/18 – 30/06/19	Branch Secretary
Scott Challinger	01/07/18 – 30/06/19	Branch President
John Da Silva	01/07/18 – 30/06/19	Branch Assistant Secretary
Mark Hatcher	01/07/18 – 30/06/19	Branch Vice President WA
Matthew Finch	01/07/18 – 30/06/19	Branch Vice President SA
Kaine Sich	01/07/18 – 07/05/19	Branch Organiser SA
Debra Kennedy	01/07/18 – 30/06/19	Branch Organiser SA
Sandra Ashwood	01/07/18 – 24/04/19	Committee Member SA
Donha Lincoln	01/07/18 – 30/06/19	Committee Member SA
Bradley Kenny	01/07/18 – 30/06/19	Committee Member SA
Peter Harrison	18/05/19 – 30/06/19	Committee Member WA
Angela McPhee	01/07/18 – 30/06/19	Committee Member WA
Murray Pratt	01/07/18 – 30/06/19	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 2019

**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

14 October 2019

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 2019; I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

M.G.J

MGI Audit Pty Ltd



G I Kent

Director – Audit & Assurance

Brisbane

14 October 2019

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 2019

On 14 October 2019, the Committee of Management of the Branch passed the following resolution to the General Purpose Financial statements (GPFR) of the reporting unit for the financial year ended 30 June 2019.

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

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Branch for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - i. meetings of the Committee of Management were held in accordance with the rules of the organisation and the rules of the Branch concerned; and
 - ii. the financial affairs of the Branch have been managed in accordance with the rules of the organisation, including the rules of the branch concerned; and
 - iii. the financial records of the Branch have been kept and maintained in accordance with the *RO Act*; and
 - iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - v. where information has been sought in any request of a member of the reporting unit or Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or Commissioner; and
 - vi. where any order for inspection of financial records made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

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

Name of Designated Officer: Sharra Anderson

Title of Designated Officer: Branch Secretary

Signature:



Date: 14 October 2019

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 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Australasian Meat Industry Employees Union – South and Western Australia Branch as at 30 June 2019, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

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

Basis for Opinion

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

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

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

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

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

accountants + auditors

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Responsibilities of Committee of Management for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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.

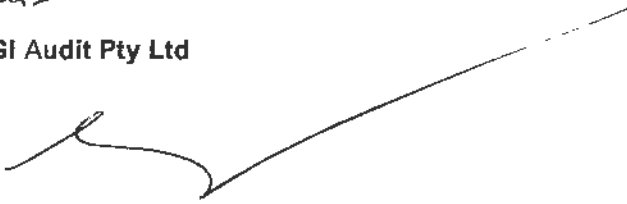
Declaration

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

I declare that I am an auditor registered under the RO Act.

M.G.I

MGI Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'G I Kent', is written over a long, thin horizontal line that extends across the page.

G I Kent

Director – Audit & Assurance

Brisbane

14 October 2019

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 2019**

	Notes	2019 \$	2018 \$
Revenue			
Membership subscription		773,272	801,182
Sale of goods (knives and merchandise)	3A	(5,729)	3,164
Interest/ investment income	3B	15,281	17,103
Other revenue	3C	15,741	25,466
Total revenue		<u>798,565</u>	<u>846,915</u>
Expenses			
Employee expenses	4A	(514,497)	(546,661)
Capitation fees	4B	(50,812)	(47,805)
Affiliation fees	4C	(19,453)	(18,770)
Administration expenses	4D	(181,195)	(142,531)
Grants or donations	4E	(198)	(227)
Depreciation and amortisation	4F	(10,194)	(13,203)
Finance costs	4G	(7,384)	(8,366)
Legal costs	4H	(7,751)	(71)
Audit and accounting fees	12	(13,519)	(12,550)
Total expenses		<u>(805,003)</u>	<u>(790,184)</u>
(Deficit)/ surplus for the year		<u>(6,438)</u>	<u>56,731</u>
Other comprehensive income			
Other Comprehensive income (net of income tax)		-	-
Total comprehensive income for the year		<u>(6,438)</u>	<u>56,731</u>

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 2019

	Notes	2019 \$	2018 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	98,164	67,325
Trade and other receivables	5B	25,329	21,278
Inventories	5C	27,066	47,793
Total current assets		150,559	136,396
Non-Current Assets			
Investments	6A	169,937	160,965
Office equipment and furniture and fittings	6B	2,582	8,869
Motor vehicles	6C	18,517	22,424
Total non-current assets		191,036	192,258
Total assets		341,595	328,654
LIABILITIES			
Current Liabilities			
Trade payables	7A	39,996	25,350
Other payables	7B	13,988	15,135
Employee provisions	8A	100,291	94,411
Total current liabilities		154,275	134,896
Non-Current Liabilities			
Employee provisions	8A	-	-
Loans	8B	60,000	60,000
Total non-current liabilities		60,000	60,000
Total liabilities		214,275	194,896
Net assets		127,320	133,758
EQUITY			
Retained earnings		127,320	133,758
Total equity		127,320	133,758

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 2019**

	Notes	Reserves \$	Retained earnings \$	Total equity \$
Balance as at 1 July 2017		(43,128)	120,155	77,027
Adjustment for changes in accounting policies		43,128	(43,128)	-
Surplus for the year		-	56,731	56,751
Other comprehensive income		-	-	-
Closing balance as at 30 June 2018		-	133,758	133,758
Deficit for the year		-	(6,438)	(6,438)
Other comprehensive income		-	-	-
Closing balance as at 30 June 2019		-	127,320	127,320

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

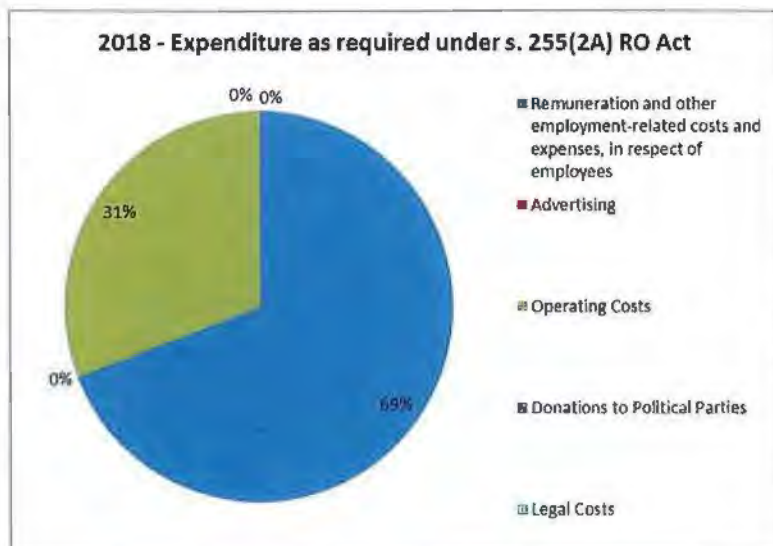
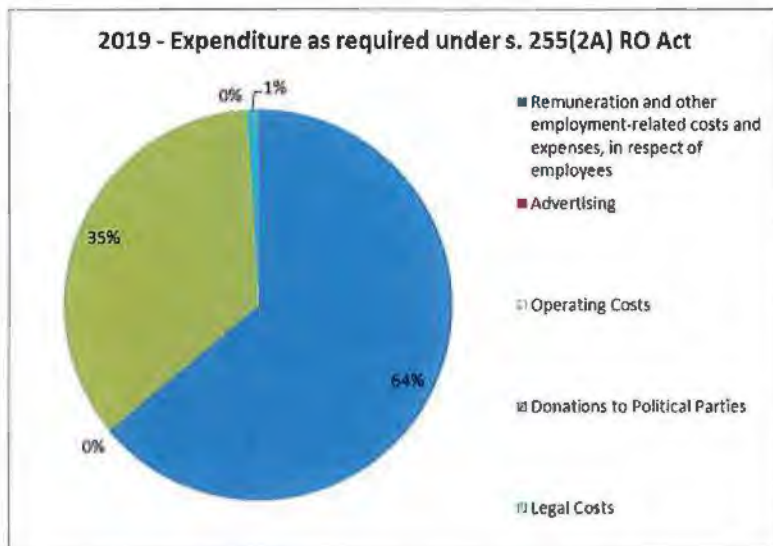
**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – SOUTH AND WESTERN AUSTRALIA
BRANCH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	2019 \$	2018 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units	9B	18,851	28,321
Receipts from members and other customers		842,545	873,686
Interest and investment income		5,014	5,675
		<u>866,410</u>	<u>907,682</u>
Cash used			
Employees and suppliers		(766,779)	(822,817)
Payments to other reporting units	9B	(68,792)	(59,158)
		<u>(835,571)</u>	<u>(881,975)</u>
Net cash provided by operating activities	9A	<u>30,839</u>	<u>25,707</u>
INVESTING ACTIVITIES			
Payments for property, plant and equipment		-	-
Proceeds from sale of property, plant and equipment		-	-
Net cash provided by/ (used in) investing activities		<u>-</u>	<u>-</u>
FINANCING ACTIVITIES			
Loans received		-	-
Net cash provided by financing activities		<u>-</u>	<u>-</u>
Net increase in cash held		<u>30,839</u>	<u>25,707</u>
Cash & cash equivalents at the beginning of the reporting period		67,325	41,618
Cash & cash equivalents at the end of the reporting period	5A	<u>98,164</u>	<u>67,325</u>

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

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

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




 Sharra Anderson
 Branch Secretary

14 October 2019

Torrensville

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

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

Index to the Notes of the Financial Statements

Note 1	Summary of significant accounting policies
Note 2	Events after the reporting period
Note 3	Income
Note 4	Expenses
Note 5	Current assets
Note 6	Non-current assets
Note 7	Current liabilities
Note 8	Provisions
Note 9	Cash flow
Note 10	Contingent liabilities, assets and commitments
Note 11	Related party disclosures
Note 12	Remuneration of auditors
Note 13	Financial instruments
Note 14	Fair value measurements
Note 15	Section 272 <i>Fair Work (Registered Organisations) Act 2009</i>
Note 16	Branch details
Note 17	Segment information

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

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

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the Australasian Meat Industry Employees Union – 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 2019**

Note 1 Summary of significant accounting policies (Continued)

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

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

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

The Branch has adopted AASB 9: Financial Instruments with a date of initial application of 1 July 2018. As a result, the Branch has changed its financial instruments accounting policies as detailed in the significant accounting policies note.

Considering the initial application of AASB 9 during the financial period, financial statement line items have been affected for the current and prior periods. Below in this note are the adjustments made to the affected financial statement line items.

AASB 9 requires retrospective application with some exceptions.

Disclosure: Initial application of AASB 9

There were no financial assets/ liabilities which the Branch had previously designated as fair value through profit or loss under AASB 139: Financial Instruments: Recognition and Measurement that were subject to reclassification/elected reclassification upon the application of AASB 9.

The Branch applied AASB 9 (as revised in July 2014) and the related consequential amendments to other AASBs. New requirements were introduced for the classification and measurement of financial assets and financial liabilities, as well as for impairment.

Financial assets in terms of AASB 9 need to be measured subsequently at either amortised cost or fair value on the basis of the entity's business model and the cash flow characteristics of the financial assets, as follows:

- debt investments that are held within a business model whose goal is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at amortised cost;
- debt investments that are held within a business model whose goal is both to collect contractual cash flows and to sell it, and that have contractual cash flows that are purely payments of principal and interest on the principal amount outstanding, are subsequently measured at fair value through other comprehensive income; and
- all other debt investments and equity investments are measured at fair value through profit or loss.

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

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

Note 1 Summary of significant accounting policies (Continued)

1.4 New Australian Accounting Standards (Continued)

Disclosure: Initial application of AASB 9 (continued)

Despite the issues mentioned above, the entity may make irrevocable election at initial recognition of a financial asset as follows:

- the entity may choose to present subsequent changes in fair value of an equity investment that is not held for trading and not a contingent consideration in a business combination in other comprehensive income; and
- the entity may choose to present a debt investment that meets the amortised cost or fair value through other comprehensive income criteria as measured at fair value through profit or loss if this choice significantly reduces an accounting mismatch.

When an equity investment at fair value through other comprehensive income has a gain or loss previously recognised in other comprehensive income, it is not reclassified to profit or loss. However, when a debt investment at fair value through other comprehensive income is derecognised, the gain or loss recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

Debt instruments that are subsequently measured at amortised cost or at fair value through other comprehensive income are subject to impairment.

The Committee of Management of the Branch determined the existing financial assets as at 1 July 2018 based on the facts and circumstances that were present and determined that the initial application of AASB 9 had the following effect:

- the Branch's investments in equity instruments not held for trading that were previously classified as available-for-sale financial assets and were measured at fair value have been designated as at fair value through profit and loss.
- financial assets as held-to-maturity and loans and receivables that were measured at amortised cost continue to be measured at amortised cost under AASB 9 as they are held to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding; and
- financial assets measured at fair value through profit or loss (AASB 139) are still measured as such under AASB 9. This note contains a table that shows the effect of classification of the financial assets upon initial application.

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

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

Note 1 Summary of significant accounting policies (Continued)

1.4 New Australian Accounting Standards (Continued)

Disclosure: Initial application of AASB 9 (continued)

Impairment

As per AASB 9, an expected credit loss model is applied, not an incurred credit loss model as per the previous standard applicable (AASB 139). To reflect changes in credit risk, this expected credit loss model requires the Branch to account for expected credit losses since initial recognition.

AASB 9 also determines that a loss allowance for expected credit loss be recognised on debt investments subsequently measured at amortised cost or at fair value through other comprehensive income, lease receivables, contract assets, loan commitments and financial guarantee contracts as the impairment provision would apply to them.

If the credit risk on a financial instrument did not show significant change since initial recognition, an expected credit loss amount equal to 12-month expected credit losses are used. However, a loss allowance is recognised at an amount equal to the lifetime expected credit loss if the credit risk on that financial instrument has increased significantly since initial recognition, or if the instrument is an acquired credit-impaired financial asset

A simple approach is followed in relation to trade receivables as the loss allowance is measured at lifetime expected credit loss. Given that the only financial assets to which the impairment provision applies are trade and other receivables, the Branch uses the simplified approach and recognises lifetime expected credit loss. This change in approach did not materially impact the expected provision and as such no adjustment was made.

The consequential amendments to AASB 9 have also resulted in more extensive disclosures about the Branch's exposure to credit risk in the consolidated financial statements.

Classification and measurement of financial liabilities AASB 9 determines that the measurement of financial liabilities and also the classification relates to changes in the fair value designated as FVTPL attributable to changes in the credit risk. AASB 9 further states that the movement in the fair value of financial liabilities that is attributable to changes in the credit risk of that liability needs to be shown in other comprehensive income unless the effect of the recognition constitutes accounting mismatch in profit or loss. Changes in fair value in relation to the financial liability's credit risk are transferred to retained earnings when the financial liability is derecognised and not reclassified through profit or loss. AASB 139 requires the fair value amount of the change of the financial liability designated as at FVTPL to be presented in profit or loss.

Apart from the above, the application of AASB 9 has had no impact on the classification and measurement of the Branch's financial liabilities.

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

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

Note 1 Summary of significant accounting policies (Continued)

1.4 New Australian Accounting Standards (Continued)

Disclosure: Initial application of AASB 9 (continued)

The following table represents the classification and measurement of financial assets and financial liabilities under AASB 9 and AASB 139 at the date of initial application, 1 July 2018. There has been no change to the carrying value of the Branch's financial assets.

	<i>AASB 139 Original</i>	<i>AASB 9 New</i>
Financial Assets		
Current and non-current		
Accounts receivable and other debtors	Loans and receivables (amortised cost)	Financial assets at amortised cost
Cash and cash equivalents	Loans and receivables (amortised cost)	Financial assets at amortised cost
Held for trading non-derivative financial assets	Financial assets at fair value through profit or loss	Financial assets at fair value through profit and loss
Listed investments – shares in listed companies/ listed managed investment schemes	Available-for-sale financial assets	Financial assets at fair value through other comprehensive income
Government and fixed interest securities	Held-to-maturity	Financial assets at amortised costs
Financial liabilities		
Current and non-current		
Accounts payable and other payables	Amortised cost	Financial liabilities at amortised costs
Borrowings	Amortised costs	Financial liabilities at amortised cost

The Branch have elected to classify financial assets that were previously categorised as available for sale financial assets as at fair value through profit or loss at the date of initial application of AASB 9.

This change has resulted in an amount of \$8,972 (refer Note 3B) being recorded in the profit and loss rather than through Other Comprehensive income. The Branch has elected to apply AASB 9 retrospectively and as a result, an amount of \$12,581 has been recorded in the profit and loss for the 30 June 2018 financial year.

As the reserve for financial assets is no longer relevant for the Branch under AASB 9, the Committee of Management have elected to roll the existing reserve into Retained Earnings in the current year.

No other carrying amounts have been amended as a result of the application of AASB 9. No other accounting standard has been adopted earlier than the application date stated in the standard.

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

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

Note 1 Summary of significant accounting policies (Continued)

1.4 New Australian Accounting Standards (Continued)

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

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

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

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

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

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

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

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

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

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

Note 1 Summary of significant accounting policies (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.

The Branch has only one operating lease (being for the office building located at 227 Henley Beach Road, Torrensville SA). The lease expires on 31 July 2019, therefore the initial impact of adopting AASB 116 has been determined to be immaterial. Upon signing a new lease, a detailed assessment by the Committee of Management will be undertaken to recognise the lease in accordance with AASB 16.

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.

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – SOUTH AND WESTERN AUSTRALIA
BRANCH

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

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.

1.10 Cash

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

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

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

Note 1 Summary of significant accounting policies (Continued)

1.11 Financial instruments

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

1.12 Financial assets

Initial recognition and Measurement

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

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

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

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

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

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

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

Note 1 Summary of significant accounting policies (Continued)

1.12 Financial assets (continued)

Subsequent measurement

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

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

Financial assets at amortised costs

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

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

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

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

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

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

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

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

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

Note 1 Summary of significant accounting policies (Continued)

1.12 Financial assets (continued)

Derecognition

A financial asset is derecognised when:

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

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

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

Offsetting

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

Impairment

(i) Trade receivables

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

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

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

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

Note 1 Summary of significant accounting policies (Continued)

1.12 Financial assets (continued)

(ii) Debt instruments other than trade receivables

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

ECLs are recognised in two stages:

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

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

1.13 Financial Liabilities

Initial recognition and measurement

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

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

Subsequent Measurement

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

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

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

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

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

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

Note 1 Summary of significant accounting policies (Continued)

1.13 Financial Liabilities (continued)

Financial liabilities at amortised cost

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

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

Derecognition

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

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.

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

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

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:

	2019	2018
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.

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

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

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 14.

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

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

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

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

The Branch uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

Note 1 Summary of significant accounting policies (Continued)

1.18 Fair value measurement (continued)

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

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

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

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

1.19 Inventories

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

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

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

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

Note 2 Events after the reporting period

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

	2019	2018
	\$	\$

Note 3 Income

Note 3A: Sale of goods (knives and merchandise)

Sale of knives and merchandise	19,055	38,196
Less: cost of sales	(24,784)	(35,032)
	(5,729)	3,164

Note 3B: Interest and investment income

Interest of deposits	635	280
Fair value gain on revaluation of managed investments	8,972	12,581
Investment income on managed investments	5,674	4,242
Total interest and investment income	15,281	17,103

Note 3C: Other Income

Federal Council administration fees	12,000	12,000
Tasmania Branch administration fees	2,842	11,350
Other	899	2,116
Total other income	15,741	25,466

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

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

	2019	2018
	\$	\$
Note 4 Expenses		
Note 4A: Employee expenses		
Holders of office:		
Wages and salaries	232,654	245,746
Superannuation	24,935	24,627
Leave and other entitlements	6,061	6,149
Subtotal employee expenses holders of office	263,650	276,522
Employees other than office holders:		
Wages and salaries	127,933	156,037
Superannuation	18,053	15,224
Leave and other entitlements	6,591	5,710
Subtotal employee expenses employees other than office holders	152,577	176,971
Other employee expenses		
Payroll tax		
Fringe benefits tax	4,177	5,160
Workcover	5,756	3,406
Motor vehicle expenses	30,647	37,309
Travel expense	57,690	47,293
Total other employee expenses	98,270	93,168
Total employee expenses	514,497	546,661
Note 4B: Capitation fees		
Australasian Meat Industry Employees Union – Federal Council	50,812	47,805
Total capitation fees	50,812	47,805
Note 4C: Affiliation fees		
Australian Labor Party (South Australia and Western Australia) Branches	7,174	6,663
Unions WA	5,479	5,376
SA unions	6,290	6,174
Union Shopper	510	557
Total affiliation fees	19,453	18,770

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

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

	2019	2018
	\$	\$
Note 4D: Administration and other operating expenses		
Consideration to employers for payroll deductions	3,984	5,457
Conferences and meeting expenses	2,822	2,917
Compulsory levies		
Australasian Meat Industry Employees Union – Federal Council	8,001	-
Property expenses	48,227	25,127
Office expenses	44,965	47,938
Information technology expenses	25,696	24,341
Insurance expenses	47,500	36,751
Total administration and other operating expense	<u>181,195</u>	<u>142,531</u>
Note 4E: Grants or donations		
Donations:		
Total paid that were \$1,000 or less	198	227
Total grants or donations	<u>198</u>	<u>227</u>
Note 4F: Depreciation expense		
Depreciation		
Office equipment and furniture and fittings	6,287	8,125
Motor Vehicles	3,907	5,078
Total depreciation expense	<u>10,194</u>	<u>13,203</u>
Note 4G: Finance costs		
Bank fees	7,384	8,366
Total finance costs	<u>7,384</u>	<u>8,366</u>
Note 4H: Legal costs		
Litigation	6,478	-
Other legal matters	1,273	71
Total legal costs	<u>7,751</u>	<u>71</u>

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – SOUTH AND WESTERN AUSTRALIA
BRANCH

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

	2019	2018
	\$	\$
Note 5		
Current Assets		
Note 5A: Cash and Cash Equivalents		
Cash at bank	97,368	66,719
Cash on hand	796	606
Total cash and cash equivalents	<u>98,164</u>	<u>67,325</u>
Note 5B: Trade and Other Receivables		
Receivables from other reporting units		
Australasian Meat Industry Employees Union – Tasmania Branch	-	1,059
Australasian Meat Industry Employees Union – Federal Council	1,547	-
Less provision for doubtful debts (reporting units)	-	-
Receivable from other reporting units (net)	<u>1,547</u>	<u>1,059</u>
Other receivables:		
Accrued income	21,414	19,587
Other trade receivables	6,976	5,240
Less provision for doubtful debts (other receivables)	(4,608)	(4,608)
Total other receivables	<u>23,782</u>	<u>20,219</u>
Total trade and other receivables (net)	<u>25,329</u>	<u>21,278</u>
Note 5C: Inventories		
Finished Goods (Knives)	27,066	47,793
Total Inventories	<u>27,066</u>	<u>47,793</u>

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

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

	2019	2018
	\$	\$
Note 6 Non-current Assets		
Note 6A: Managed Investments		
Financial assets (Colonial First State)	169,937	160,965
Total Managed Investments	<u>169,937</u>	<u>160,965</u>

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 fair value through profit and loss financial 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 6B: Office equipment and furniture and fittings

Office equipment and furniture and fittings:

at cost	145,176	145,176
accumulated depreciation	(142,594)	(136,307)
Total office equipment and furniture and fittings	<u>2,582</u>	<u>8,869</u>

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	(136,307)	(128,182)
Net book value 1 July	<u>8,869</u>	<u>16,994</u>
Additions:		
By purchase	-	-
Depreciation expense	(6,287)	(8,125)
Disposals:		
By sale	-	-
Net book value 30 June	<u>2,582</u>	<u>8,869</u>
Net book value as of 30 June represented by:		
Gross book value	145,176	145,176
Accumulated depreciation and impairment	(142,594)	(136,307)
Net book value 30 June	<u>2,582</u>	<u>8,869</u>

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – SOUTH AND WESTERN AUSTRALIA
BRANCH

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

	2019	2018
	\$	\$
Note 6C: Motor Vehicles		
Motor Vehicles:		
at cost	83,690	83,690
accumulated depreciation	(65,173)	(61,266)
Total motor vehicles	18,517	22,424

Reconciliation of Opening and Closing Balances of Motor Vehicles

As at 1 July		
Gross book value	83,690	83,690
Accumulated depreciation and impairment	(61,266)	(56,188)
Net book value 1 July	22,424	27,502
Additions:		
By purchase	-	-
Depreciation expense	(3,907)	(5,078)
Disposals:		
By sale	-	-
Net book value 30 June	18,517	22,424
Net book value as of 30 June represented by:		
Gross book value	83,690	83,690
Accumulated depreciation and impairment	(65,173)	(61,266)
Net book value 30 June	18,517	22,424

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – SOUTH AND WESTERN AUSTRALIA
BRANCH

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

	2019	2018
	\$	\$
Note 7 Current Liabilities		
Note 7A: Trade payables		
Trade creditors and accruals	35,765	23,087
Subtotal trade creditors	<u>35,765</u>	<u>23,087</u>
Payables to other reporting units		
Australasian Meat Industry Employees Union – Federal Council	4,231	-
Australasian Meat Industry Employees Union – New South Wales Branch	-	2,263
Subtotal payables to other reporting units	<u>4,231</u>	<u>2,263</u>
Total trade payables	<u>39,996</u>	<u>25,350</u>
Settlement is usually made within 30 days.		
Note 7B: Other payables		
Superannuation	3,218	4,414
Legal costs		
Litigation	2,000	-
GST payable	-	531
PAYG payable	5,466	6,177
Other	3,304	4,013
Total other payables	<u>13,988</u>	<u>15,135</u>
Total other payables are expected to be settled in:		
No more than 12 months	13,988	15,135
More than 12 months	-	-
Total other payables	<u>13,988</u>	<u>15,135</u>

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

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

	2019	2018
	\$	\$
Note 8 Non-current liabilities		
Note 8A: Employee Provisions		
Office Holders:		
Long service leave	80,841	76,913
Subtotal employee provisions—office holders	<u>80,841</u>	<u>76,913</u>
Employees other than office holders:		
Annual leave	3,857	8,078
Long service leave	15,593	9,420
Subtotal employee provisions—employees other than office holders	<u>19,450</u>	<u>17,498</u>
Total employee provisions	<u>100,291</u>	<u>94,411</u>
Current	100,291	94,411
Non-Current	-	-
Total employee provisions	<u>100,291</u>	<u>94,411</u>

Note 8B: Loans

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

Loan terms and conditions

During the 2017 financial 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
BRANCH

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

	2019	2018
	\$	\$
Note 9 Cash Flow		
Note 9A: Cash Flow Reconciliation		
Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement:		
Cash and cash equivalents as per:		
Cash flow statement	98,164	67,325
Statement of financial position	98,164	67,325
Difference	<u>-</u>	<u>-</u>
Reconciliation of (deficit)/ surplus to net cash from operating activities:		
(Deficit)/ surplus for the year	(6,438)	56,731
Adjustments for non-cash items		
Depreciation/ amortisation	10,194	13,203
Fair value gain on revaluation of investments	(8,972)	(12,581)
Changes in assets/liabilities		
(Increase)/ decrease in net receivables	(4,051)	(14,185)
(Increase)/ decrease in other current assets	-	(1,100)
(increase)/ decrease in inventories	20,727	(4,894)
Increase/ (decrease) in creditors and other payables	13,499	(18,312)
Increase/ (decrease) in employee provisions	5,880	4,645
Net cash (used in)/ provided by operating activities	<u>36,055</u>	<u>23,507</u>
Note 9B: Cash flow information		
Cash inflows from other reporting units		
AMIEU – Federal Council	13,387	13,387
AMIEU – Tasmania Branch	4,528	14,241
AMIEU – Queensland Branch	936	-
AMIEU – Newcastle and Northern Branch	-	693
Total cash inflows	<u>18,851</u>	<u>28,321</u>
Cash outflows to other reporting units		
AMIEU – Federal Council	(66,967)	(58,013)
AMIEU – Queensland Branch	(1,825)	(1,145)
Total cash outflows	<u>68,792</u>	<u>(59,158)</u>

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

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – SOUTH AND WESTERN AUSTRALIA
BRANCH

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

Note 9C: Credit standby arrangements and loan facilities

The Branch has a credit card facility amounting to \$1,500 (2018: \$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 9D: Non-cash transactions

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

	2019	2018
	\$	\$
Note 9E: Net debt reconciliation		
Cash and cash equivalents	98,164	67,325
Borrowings – repayable within one year	-	-
Borrowings – repayable after one year	(60,000)	(60,000)
Net debt	<u>38,164</u>	<u>7,325</u>

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

	Other Assets	Liabilities from financing activities		
	Cash assets	Loans – due within 1 year	Loans – due after 1 year	Total
Net debt at 1 July 2017	41,618	-	(60,000)	(18,382)
Cash flows	25,707	-	-	25,707
Net debt at 30 June 2018	67,325	-	(60,000)	7,325
Cash flows	30,839	-	-	30,839
Net debt at 30 June 2019	98,164	-	(60,000)	38,164

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

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

Note 10 Contingent Liabilities, Assets and Commitments

Note 10A: Commitments and Contingencies

Capital commitments

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

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.

	2019	2018
	\$	\$
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	2,591	31,573
between 12 months and 5 years	-	-
greater than 5 years	-	-
Minimum lease payments	<u>2,591</u>	<u>31,573</u>

The Branch leases office space at 227 Henley Beach Road, Torrensville, South Australia. The lease was for 5 years, expiring at 31 July 2019. There is an option to extend the lease for a further 5 years at the conclusion of the existing lease.

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

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

Note 11 Related Party Disclosures

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

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

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

Australasian Meat Industry Employees Union – Federal Council (AMIEU – Federal Council)
 Australasian Meat Industry Employees Union - Queensland Branch (AMIEU – QLD Branch)
 Australasian Meat Industry Employees Union – 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.

	2019	2018
	\$	\$
Revenues received from AMIEU – Federal Council includes the following:		
Office administration fees	12,000	12,000
Reimbursement of telephone expenses/ office expenses	1,576	170
Expenses paid to AMIEU – Federal Council includes the following:		
Capitation fees	50,812	47,805
Levies	8,001	-
Purchase of meatworker journals	1,792	1 605
Reimbursement of travel costs	3,202	955
Reimbursement of conference fees	-	191
Reimbursement of stationery expenses and other administration expenses	1,021	51
Amounts owed to AMIEU – Federal Council include the following:		
Levies	4,231	-

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

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

Note 11 Related Party Disclosures (Continued)

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

	2019	2018
	\$	\$
Revenues received from AMIEU – Newcastle and Northern Branch includes the following:		
Merchandise sales	-	630
Amounts owed to AMIEU – Newcastle and Northern Branch include the following:		
Loan	15,000	15,000
Amounts owed to AMIEU – VIC Branch include the following:		
Loan	15,000	15,000
Expenses paid to AMIEU – QLD Branch includes the following:		
Reimbursement of travel costs	851	1,145
Amounts owed to AMIEU – QLD Branch include the following:		
Loan	15,000	15,000
Amounts owed to AMIEU – NSW Branch include the following:		
Loan	15,000	15,000
Reimbursement of travel costs (trade creditors)	-	2,262
Revenues received from AMIEU – TAS Branch includes the following:		
Office administration fees	2,842	11,350
Reimbursement of member mail-out costs	216	677
Other operating expenses	95	-
Amounts owed by AMIEU – TAS Branch include the following:		
Office administration fees	-	1,059

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

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

Note 11 Related Party Disclosures (Continued)

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

During the 2017 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 2019, the Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2018: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – SOUTH AND WESTERN AUSTRALIA
BRANCH

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

Note 11 Related Party Disclosures (Continued)

	2019	2018
	\$	\$
Note 11B: Key Management Personnel Remuneration for the Reporting Period		
Short-term employee benefits		
Salary (including annual leave taken)	232,654	245,746
Annual and personal leave accrued	-	-
Other	-	-
Total short-term employee benefits	232,654	245,746
Post-employment benefits:		
Superannuation	24,935	24,627
Total post-employment benefits	24,935	24,627
Other long-term benefits:		
Long-service leave	6,061	6,149
Total other long-term benefits	6,061	6,149
Termination benefits	-	-
Total	263,650	276,522

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 12 Remuneration of Auditors

Value of the services provided

Financial statement audit services – current year	12,150	12,000
Audit of ECSA disclosure forms	500	500
Other services	869	-
Total remuneration of auditors	13,519	12,550

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

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

Note 13 Financial Instruments

Financial Risk Management Policy

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

(a) Credit Risk

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

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

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

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

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

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

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

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

Note 13 Financial Instruments (Continued)

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

	Within Trading terms/ 0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade and other receivables	23,782	-	-	4,608	28,390
Receivables from other reporting units	1,547	-	-	-	1,547
Total	25,329	-	-	4,608	29,937

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

	Within trading terms/ 0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade and other receivables	20,219	-	-	4,608	24,827
Receivables from other reporting units	1,059	-	-	-	1,059
Total	21,278	-	-	4,608	25,886

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

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

Collateral held as security

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

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

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

Note 13 Financial Instruments (Continued)

(b) Liquidity Risk

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

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

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

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

Financial Instrument Composition and Maturity Analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade and other payables	53,984	40,485	-	-	-	-	53,984	40,485
Loans	-	-	60,000	60,000	-	-	60,000	60,000
Total expected outflows	53,984	40,485	60,000	60,000	-	-	113,984	100,485
Financial assets – cash flow receivable								
Cash and cash equivalents	98,164	67,325	-	-	-	-	98,164	67,325
Trade and other receivables	25,329	21,278	-	-	-	-	25,329	21,278
Managed investments	-	-	-	-	169,937	160,965	169,937	160,965
Total anticipated inflows	123,493	88,603	-	-	169,937	160,965	293,430	249,568
Net (outflow) / inflow on financial instruments	69,509	48,118	(60,000)	(60,000)	169,937	160,965	179,446	149,083

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

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

Note 13 Financial Instruments (Continued)

(c) Market Risk

i Interest rate risk

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

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

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

	Weighted Average Effective Interest Rate			
	2019	2018	2019	2018
	%	%	\$	\$
Floating rate instruments				
Cash and cash equivalents	0.87	1.20	98,164	67,325

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:

	2019	2018
	%	%
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.

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

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

Note 13 Financial Instruments (Continued)

iv. Price risk
The Branch is 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.

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 2019		
+2% in interest rates	1,135	1,135
-2% in interest rates	(851)	(851)
+/-10% in managed investment funds	+/- 16,994	+/- 16,994
Year ended 30 June 2018		
+2% in interest rates	935	935
-2% in interest rates	(807)	(807)
+/-10% in managed investment funds	+/- 16,097	+/- 16,097

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 2019**

Note 14 Fair Value Measurement

Fair Values

Fair value estimation

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

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

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

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

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

	Footnote	2019		2018	
		Carrying value	Fair value	Carrying value	Fair value
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	(i)	98,164	98,164	67,325	67,325
Accounts receivable and other debtors	(i)	25,329	25,329	21,278	21,278
Financial assets at fair value through profit or loss:					
- at fair value					
- managed investment funds	(ii)	169,937	169,937	160,965	160,965
Total financial assets		293,430	293,430	249,568	249,568
Financial liabilities					
Accounts payable and other payables	(i)	53,984	53,984	40,485	40,485
Loans payable		60,000	60,000	60,000	60,000
Total financial liabilities		113,984	113,984	100,485	100,485

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 2019**

Note 14 Fair Value Measurement (Continued)

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

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

Fair Value Hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

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

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

Note 14 Fair Value Measurement (Continued)

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

Fair value hierarchy – 30 June 2019

	Note	Date of Valuation	Level 1	Level 2	Level 3
		\$	\$	\$	\$
Assets measured at fair value					
Financial Assets at fair value through profit or loss					
- Shares in managed funds	6A	30 June 2019	169,937	-	-
Total financial assets recognised at fair value on a recurring basis			<u>169,937</u>	<u>-</u>	<u>-</u>

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

Fair value hierarchy – 30 June 2018

	Note	Date of Valuation	Level 1	Level 2	Level 3
		\$	\$	\$	\$
Assets measured at fair value					
Financial Assets at fair value through profit or loss					
- Shares in managed funds	6A	30 June 2018	160,965	-	-
Total financial assets recognised at fair value on a recurring basis			<u>160,965</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
BRANCH**

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

Note 15 Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or 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 16 Branch Details

The registered office of the Branch is:

227 Henley Beach Road
TORRENSVILLE SA 5031

Note 17 Segment Information

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

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – SOUTH AND WESTERN AUSTRALIA BRANCH

OFFICER DECLARATION STATEMENT

I, Sharra Anderson, being the Branch Secretary of the Australasian Meat Industry Employees Union – South and Western Australia Branch, declare that the following activities did not occur during the reporting period ending 30 June 2019:

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees or any other revenue amount from another reporting unit
- receive revenue via compulsory levies
- receive donations or grants
- receive revenue from undertaking recovery of wages activity
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay a donation that exceeded \$1,000
- pay leave and other entitlements to holders of office
- pay separation and redundancy to holders of office
- pay other employee expenses to holders of office
- pay separation and redundancy to employees (other than holders of office)
- pay other employee expenses to employees (other than holders of office)
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- incur expenses due to holding a meeting as required under the rules of the organisation
- pay a penalty imposed under the RO Act or the *Fair Work Act 2009*
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to other legal matters

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

OFFICER DECLARATION STATEMENT (CONTINUED)

- have an annual leave provision in respect of holders of office
- have a separation and redundancy provision in respect of holders of office
- have other employee provisions in respect of holders of office
- have a separation and redundancy provision in respect of employees (other than holders of office)
- have other employee provisions in respect of employees (other than holders of office)
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit



Sherra Anderson
Branch Secretary

14 October 2019

Torrensville



2 July 2019

Sharra-Leagh Anderson
Branch Secretary-Treasurer
Australasian Meat Industry Employees Union, The-South and Western Australian Branch
Sent via email: admin@sawa.amieu.asn.au

Dear Sharra-Leagh Anderson,

**Re: Lodgement of Financial Report - FR2019/155
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Australasian Meat Industry Employees Union, The-South and Western Australian Branch (the reporting unit) ended on 30 June 2019. This is a courtesy letter to remind you of the reporting unit's obligations regarding financial reporting.

Loans Grants and Donations Statement

The reporting unit is required to lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 of the RO Act requires this statement to be lodged with the Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2019.

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

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

Financial report

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

We emphasise that the reporting unit is required to present its audited financial report to a meeting (either of members or of the committee of management, depending on your rules) no later than 31 December 2019 (s.266). The full financial report must be lodged with the ROC within 14 days of that meeting (s.268).

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

You can visit our website for more information regarding [financial reporting](#), and fact sheets regarding [financial reporting processes and requirements](#). A model set of financial statements developed by the ROC is also available on our website. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards.

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

Auditor's report

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

REMINDER

YOUR AUDITOR MUST BE REGISTERED (s.256)

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

Contact

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

Yours faithfully,

Kylie Ngo
Registered Organisations Commission



Fact sheet

Summary of financial reporting timelines – s.253 financial reports

General Information:

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

STEP 1:
Reporting unit must prepare the General Purpose Financial Report, Committee of Management Statement, s.255(2A) Report and Operating Report as soon as practicable after the end of the financial year:



STEP 2:
Committee of Management statement – resolution to be passed by the Committee of Management in relation to the General Purpose Financial Report (**1st meeting**)



STEP 3:
Registered Auditor to prepare and sign the Auditor's Report and provide to the Reporting unit **within a reasonable timeframe**

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

STEP 4:
Provide **full report** to members **at least 21 days before the General Meeting**



STEP 5:
Present **full report** to a General Meeting of Members within 6 months of the reporting unit's end of financial year (**2nd meeting**)



STEP 6:
Prepare and sign the designated officer's certificate then lodge **full report** and the designated officer's certificate with the ROC within 14 days of the 2nd meeting

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

STEP 4:
Provide **full report** to members **within 5 months of the reporting unit's end of financial year**



STEP 5:
Present **full report** to Committee of Management Meeting within 6 months of the reporting unit's end of financial year (**2nd meeting**)



STEP 6:
Prepare and sign the designated officer's certificate then lodge **full report** and the designated officer's certificate with the ROC **within 14 days of the 2nd meeting**

Misconceptions

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

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

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



Fact sheet

Loans, Grants & Donations

The Loans, Grants & Donations Requirements

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

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

The Loans, Grants & Donations Statement

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

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

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

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

Common misconceptions

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

Misconception	Requirement
✘ Only reporting units must lodge the Statement.	✔ All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
✘ Employees can sign the Statement.	✔ The statement must be signed by an elected officer of the relevant branch.
✘ Statements can be lodged with the financial report.	✔ The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.

Grants & Donations within the Financial Report

Item 14(e) of the Commissioner's Reporting Guidelines requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines.

In the [ROC's Model Statements](#) the note appears as follows:

Note 4E: Grants or donations*

	2017	2016
Grants:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Total grants or donations	-	-

The Commissioner's Reporting Guidelines requires that these line items appear in the financial statements, the notes or in the officer's declaration statement, even if the figures are NIL.

Implications for filing the Financial Report

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

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

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

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

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

Further information

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

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