



16 January 2020

Paul Conway
Branch Secretary/Treasurer
The Australasian Meat Industry Employees' Union - Victorian Branch
Sent via email: pconway@amieuvic.net
CC: mfensome@mcd.com.au

Dear Paul Conway,

**The Australasian Meat Industry Employees' Union - Victorian Branch
Financial Report for the year ended 30 June 2019 – (FR2019/153)**

I acknowledge receipt of the financial report for the year ended 30 June 2019 for the Australasian Meat Industry Employees' Union - Victorian Branch. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 4 December 2019.

The financial report has now been filed.

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

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

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

General purpose financial report

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

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

- "Receive capitation fees from another reporting unit" is disclosed in both Note 5 and the officer's declaration statement; and

- "Pay to a person fees or allowances to attend conferences or meetings as representative of the reporting unit" is disclosed in both Note 6 and the officer's declaration statement.

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

Disclosure of payables in respect of legal costs

RG 16(b) requires a payable in relation to legal costs to be disclosed by litigation and by other legal matters. Note 12 *Payables* discloses a total figure for this liability item but does not distinguish based on the categories indicated above.

Please ensure that payables of legal costs are disclosed in accordance with the RGs.

Inconsistency in disclosure of financial information

The statement of changes in equity discloses a balance of accumulated general fund of \$778,944 for the 2019 financial year (2018: \$876,408). The officer's declaration statement, however includes a nil disclosure in relation to a balance in the general fund.

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

References to legislation

It appears that the information provided in Note 1(n) *Acquisition of assets and liabilities* relates to the disclosure requirement under RG 12. I note however that this note makes reference to the Commissioner instead of the General Manager of the Fair Work Commission.

Please ensure this note is amended accordingly in future years.

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,



Kylie Ngo
Registered Organisations Commission



AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION VICTORIAN BRANCH

s.268 Fair Work (Registered Organisations) Act 2009

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the period ended *30 June 2019*

I *Paul Conway* being the *Secretary* of the Australasian Meat Industry Employees Union Victorian Branch certify:

- that the documents lodged herewith are copies of the full report for the Australasian Meat Industry Employees Union Victorian Branch for the period ended 30 June 2019 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the Full Report was provided to members on the AMIEU Victorian Branch website on 14 November 2019; and
- that the full report was presented to *a meeting* of the committee of management of the reporting unit on 28 November 2019 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:.....

Name of prescribed designated officer: Paul Conway

Title of prescribed designated officer: Branch Secretary

Dated:.....*4/12/19*

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION
(VICTORIAN BRANCH)**

ABN 73 073 704 742

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION
(VICTORIAN BRANCH)**

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**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION
(VICTORIAN BRANCH)**

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

In accordance with section 254 of the Fair Work (Registered Organisations) Act 2009 the Committee of Management presents its Operating Report on the activities of the Australasian Meat Industry Employees Union Victorian Branch for the year ended 30th June 2019.

Principal Activities

The principal activity of the Union is to uphold the rights of workers to organise in order to protect and improve their living standards and environment.

Full time branch officials provide direct support for Union members with regular workplace visits to hold meetings with members and resolving workplace issues as they arise. Representation is also provided through enterprise bargaining, representation at industrial tribunals and by participation in industrial relations and workplace safety policy forums. The Union keeps members informed through periodical journals, newsletters, emails and topical information on social media, phone app and website.

Change in the Nature of Activities

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

Review of Results

The net result of operations for the twelve months was a loss of \$97,464 (2018: Loss of \$3,135)

Significant Changes in the State of Financial Affairs

In the opinion of the Committee of Management, there were no significant changes in the entity's state of financial affairs during the financial year.

Resignation of Members

As per section 174 of the Fair Work (Registered Organisations) Act 2009, a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.

Number of Members

As at 30 June 2019, the number of members of the entity was 3,852 (2018: 3,659).

Number of Employees

As at 30 June 2019, the number of full time equivalent employees was 9.1 (2018: 9).

Future Developments

In the opinion of the Committee of Management, there is not likely to be any future development that will materially effect the Union's operations in subsequent years.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION
(VICTORIAN BRANCH)**

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

Names of Committee of Management Members and Period and Positions Held During the Financial Year

There is an election every four years for Committee of Management members. The last election was held on 20 September 2017.

The names of the members of Committee of Management in office at any time during or since the end of the financial year are:

<u>Name</u>	<u>Position</u>	<u>Period</u>
Kathleen Haddock	President	1 July 2018 to 30 June 2019
Daniel Gili	Vice President	1 July 2018 to 30 June 2019
Paul Conway	Branch Secretary	1 July 2018 to 30 June 2019
Gwynnyth Evans	Assistant Branch Secretary	1 July 2018 to 30 June 2019
Vaughan Allen	Ordinary Member	1 July 2018 to 30 June 2019
Gavan Bishop	Ordinary Member	1 July 2018 to 30 June 2019
Adam Blyth	Ordinary Member	1 July 2018 to 30 June 2019
Martha Bozan	Ordinary Member	1 July 2018 to 30 June 2019
Francis Brook	Ordinary Member	1 July 2018 to 30 June 2019
William Budge	Ordinary Member	1 July 2018 to 30 June 2019
Baden Collisson	Ordinary Member	1 July 2018 to 30 June 2019
Stephen Conway	Ordinary Member	1 July 2018 to 30 June 2019
Russell Dempster	Ordinary Member	1 July 2018 to 30 June 2019
Kevin Earl	Ordinary Member	1 July 2018 to 30 June 2019
Darrel Holgate	Ordinary Member	1 July 2018 to 30 June 2019
Darren Jasper	Ordinary Member	1 July 2018 to 30 June 2019
Jarrold Jones	Ordinary Member	1 July 2018 to 30 June 2019
Benjamin LePoidevin	Ordinary Member	1 July 2018 to 30 June 2019
Dione Pedrina	Ordinary Member	1 July 2018 to 30 June 2019
Jason Peters	Ordinary Member	1 July 2018 to 30 June 2019
Jason Piper	Ordinary Member	1 July 2018 to 30 June 2019
Robert Slimmon	Ordinary Member	1 July 2018 to 30 June 2019
Christopher Wialletton	Ordinary Member	1 July 2018 to 30 June 2019
Jason Williamson	Ordinary Member	1 July 2018 to 30 June 2019
Anthony Zaffiro	Ordinary Member	1 July 2018 to 30 June 2019
Anthony Saunders (Resigned on 12 June 2019)	Ordinary Member	1 July 2018 to 12 June 2019

The following persons are Branch Delegate to the Federal Council:

Paul Conway
Gwynnyth Evans
Jason Piper

The members of Branch Committee of Management have been in office since the start of the financial year to the date of this report unless otherwise stated.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION
(VICTORIAN BRANCH)**


**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

Officers or Members who are Superannuation Fund Trustee(s) (include position details) or Director of a Company that is a Superannuation Fund Trustees where Being a Member or Officer of a Registered Organisation is a Criterion for Them Holding Such Position

To the best of our knowledge and belief, the following officers and employees of the Branch are superannuation fund trustee(s) or director of a company that is a superannuation fund trustees:

<u>Name of Officer</u>	<u>Trustee Company</u>	<u>Name of Superannuation Fund</u>	<u>Position</u>	<u>Whether Position Held Because Nominated for by a Registered Organisation</u>
Paul Conway	Meat Industry Employees Superannuation Fund Pty Ltd	Meat Industry Employees Superannuation Fund	Director / Secretary	Yes

Signed in accordance with a resolution of the Executive on behalf of the Committee of Management:


.....
PAUL CONWAY
Branch Secretary


.....
GWYNNYTH EVANS
Assistant Branch Secretary

Dated this 13 day of November, 2019.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION
(VICTORIAN BRANCH)**

**REPORT REQUIRED UNDER SUBSECTION 255 (2A)
FOR THE YEAR ENDED 30 JUNE 2019**


The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2019.


Descriptive form:

Categories of expenditures	2019 \$	2018 \$
Remuneration and other employment-related costs and expenses – employees	859,004	879,180
Advertising	-	-
Operating costs	286,132	266,159
Donations to political parties	-	-
Legal costs	139,095	-

Due to the specific requirements under subsection (2A) of the Fair Work (Registered Organisations) Act 2009, there will likely be some other costs incurred by the reporting unit which do not fall within the above categories. Accordingly, the expenditure reported in this report may not represent 100% of the expenditure actually incurred by the reporting unit.

Signed in accordance with a resolution of the Executive on behalf of the Committee of Management:


.....
PAUL CONWAY
Branch Secretary


.....
GWYNNYTH EVANS
Assistant Branch Secretary

Dated in Melbourne on this 13 day of November, 2019.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION
(VICTORIAN BRANCH)**


COMMITTEE OF MANAGEMENT STATEMENT

On 13 November 2019, the Executive on behalf of the Committee of Management of the Australasian Meat Industry Employees Union (Victorian Branch) ("reporting unit") passed the following resolution in relation to the general purpose financial report (GPFR) for the financial year ended 30 June 2019.

The Executive on behalf of the Committee of Management declares that in its opinion:

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


.....
PAUL CONWAY
Branch Secretary


.....
GWYNNYTH EVANS
Assistant Branch Secretary

Dated this 13 day of November, 2019.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION
(VICTORIAN BRANCH)**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 \$	2018 \$
Revenue	5	1,420,406	1,312,613
Expenses:			
Administration expenses		181,236	148,398
Affiliation and capitation fees	6	204,197	140,063
Communication expenses		52,073	45,833
Depreciation and amortisation	6	29,442	30,347
Employee benefits expense	4	859,004	879,180
Legal and professional fees	6	151,655	20,460
Loss on disposal of fixed assets		-	(34)
Member benefits expense		16,034	19,859
Occupancy expenses		<u>24,229</u>	<u>31,642</u>
		<u>1,517,870</u>	<u>1,315,748</u>
Loss before tax		(97,464)	(3,135)
Income tax expense	1(c)	<u>-</u>	<u>-</u>
Loss for the year		<u>(97,464)</u>	<u>(3,135)</u>
Other comprehensive income:			
Net gain on revaluation of property	14	292,750	61,500
Impairment of investments transferred from reserve		<u>-</u>	<u>-</u>
Other comprehensive income for the year, net of tax		<u>292,750</u>	<u>61,500</u>
Total comprehensive income attributable to members of the entity		<u><u>195,286</u></u>	<u><u>58,365</u></u>

The accompanying notes form part of these financial accounts.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION
(VICTORIAN BRANCH)**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019**

	Note	2019 \$	2018 \$
CURRENT ASSETS			
Cash & Cash Equivalents	8	846,654	984,268
Sundry Receivables	9	218,034	125,215
Stock		<u>8,436</u>	<u>6,877</u>
TOTAL CURRENT ASSETS		<u>1,073,124</u>	<u>1,116,360</u>
NON-CURRENT ASSETS			
Property, plant and equipment	10	888,921	625,013
Intangibles	11	<u>3,923</u>	<u>4,305</u>
TOTAL NON-CURRENT ASSETS		<u>892,844</u>	<u>629,318</u>
TOTAL ASSETS		<u>1,965,968</u>	<u>1,745,678</u>
CURRENT LIABILITIES			
Accounts Payable	12	149,578	119,656
Monies held in trust		52,820	52,820
Provision for Employee Benefits	13	<u>235,721</u>	<u>249,792</u>
TOTAL CURRENT LIABILITIES		<u>438,119</u>	<u>422,268</u>
NON-CURRENT LIABILITIES			
Provision for Employee Benefits	13	<u>17,261</u>	<u>8,108</u>
TOTAL NON-CURRENT LIABILITIES		<u>17,261</u>	<u>8,108</u>
TOTAL LIABILITIES		<u>455,380</u>	<u>430,376</u>
NET ASSETS		<u>1,510,588</u>	<u>1,315,302</u>
EQUITY			
Accumulated General Fund Reserves	14	778,944	876,408
		<u>731,644</u>	<u>438,894</u>
TOTAL EQUITY		<u>1,510,588</u>	<u>1,315,302</u>

The accompanying notes form part of these financial accounts.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION
(VICTORIAN BRANCH)**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019**

	Accumulated General Fund \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 July 2017	879,543	377,394	1,256,937
Loss for the year	(3,135)	-	(3,135)
Total other comprehensive income for the year	<u>-</u>	<u>61,500</u>	<u>61,500</u>
Balance at 30 June 2018	<u>876,408</u>	<u>438,894</u>	<u>1,315,302</u>
Loss for the year	(97,464)	-	(97,464)
Total other comprehensive income for the year	<u>-</u>	<u>292,750</u>	<u>292,750</u>
Balance at 30 June 2019	<u>778,944</u>	<u>731,644</u>	<u>1,510,588</u>

The accompanying notes form part of these financial accounts.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION
(VICTORIAN BRANCH)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 \$	2018 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Subscriptions from members		1,325,428	1,217,313
Interest received		27,014	5,803
Other income		2,159	27,527
Payments to suppliers and employees		<u>(1,492,051)</u>	<u>(1,304,329)</u>
Net cash used in operating activities	16(b)	<u>(137,450)</u>	<u>(53,686)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	8,500
Payment for property, plant and equipment		<u>(164)</u>	<u>(21,000)</u>
Net cash used in investing activities		<u>(164)</u>	<u>(12,500)</u>
Net decrease in cash held		(137,614)	(66,186)
Cash & cash equivalents at beginning of year		<u>984,268</u>	<u>1,050,454</u>
Cash & Cash Equivalents at End of Year	16(a)	<u><u>846,654</u></u>	<u><u>984,268</u></u>

The accompanying notes form part of these financial accounts.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION
(VICTORIAN BRANCH)**

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

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

This financial report is a general purpose financial report that has 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 Organisations) Act 2009. For the purpose of preparing the general purpose financial statements, the Australasian Meat Industry Employees Union (Victorian Branch) is a not-for-profit entity.

The following is a summary of the significant accounting policies adopted by the entity in the preparation of the financial report.

Basis of Preparation

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis using historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

Significant Accounting Judgements and Estimates

No significant accounting judgements or estimates have been applied that would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period or the amounts recognised in the financial statements.

Accounting Policies

(a) Going Concern

The financial report is prepared on the basis that the entity will continue as a going concern and that assets including property plant and equipment and liabilities would be realised in the normal course of business at their recorded values as at 30 June 2019.

No financial support was provided to or received from other reporting units by the Australasian Meat Industry Employees Union (Victorian Branch) during the year.

(b) Revenue

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

Revenue arising from the disposal of non-current assets is recognised when the organisation and the buyer are both committed to a contract.

(c) Income Tax

No provision for income tax is necessary as "Trade Unions" are exempt from income tax under Section 50-15 (3.2) of the Income Tax Assessment Act 1997.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION
(VICTORIAN BRANCH)**

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

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (*continued*)

(d) Property, Plant & Equipment

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

Property at Fair Value

The Building Strata Title is shown at the fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), less subsequent depreciation for buildings and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

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

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including property, but excluding artworks, are depreciated on a straight line or diminishing value basis over their useful lives to the entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Property	2.5%
Plant & Equipment	10%-50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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

(e) Impairment of Assets

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

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

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION
(VICTORIAN BRANCH)**

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

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (*continued*)

(f) Intangibles

Software

Software is measured at cost less accumulated amortisation and impairment losses.

Software is amortised on a straight line basis over the useful life to the entity commencing from the time the asset is available for use. The amortisation rate used for software is 10%. The software's fair value and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. The carrying amount of software is reviewed annually to ensure it is not in excess of the fair value of the asset.

(g) Employee Benefits

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

Measurement of short-term and long-term employee benefits

Short-term employee benefits are those benefits that are expected to be settled within 12 months, and are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. They include wages and salaries, annual leave, sick leave and long service leave that are expected to be settled within 12 months.

Long-term employee benefits are those benefits that are not expected to be settled within 12 months, and are measured at the present value of the estimated future cash outflows to be made by the entity in respect to services provided by employees up to the reporting date. They include long service leave not expected to be settled within 12 months.

The present value of long-term employee benefits is calculated in accordance with AASB 119: Employee Benefits. Long-term employee benefits are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national Government guaranteed securities with terms to maturity that match, as closely as possible, the estimate future cash outflows.

Classification of employee benefits as current and non-current liabilities

Employee benefit provisions are reported as current liabilities where the entity does not have an unconditional right to defer settlement for at least 12 months. Employee benefit provisions that are reported as non-current liabilities include long term benefits that do not qualify for recognition as a current liability, and are measured at present value.

Superannuation

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION
(VICTORIAN BRANCH)**

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

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (*continued*)

(h) Financial Instruments

Initial recognition and measurement

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

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit and loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3 applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION
(VICTORIAN BRANCH)**

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

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (*continued*)

(h) Financial Instruments (*continued*)

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit and loss

on the basis of the two primary criteria, being:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost when it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income when it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the conditions of amortised cost and the fair value through other comprehensive income's measurement condition are subsequently measured at fair value through profit and loss.

The entity initially designates financial instruments as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance to the documented risk management or investment strategy and information about the groupings was documented appropriately, so the performance of the financial liability that was part of an entity of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit and loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the entity made an irrevocable election to measure the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit and loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the entity's accounting policy.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION
(VICTORIAN BRANCH)**

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

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (*continued*)

(h) Financial Instruments (*continued*)

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the entity no longer controls the asset (ie it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The entity recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

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

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (*continued*)

(h) Financial Instruments (*continued*)

The entity used the following approaches to impairment, as applicable under AASB 9:

- the general approach;
- the simplified approach;
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the entity assessed whether the financial instruments are credit impaired, and if:

- the credit risk of the financial instrument increased significantly since initial recognition, the entity measured the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- there was no significant increase in credit risk since initial recognition, the entity measured the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk in every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables or contract assets that result from transactions that are within the scope of AASB 15, that contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Purchased or originated credit impaired approach

For a financial asset that is considered to be credit impaired (not on acquisition or originations), the entity measured any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment was recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (eg default or past due event);
- Where a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- It is probable that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the entity assumed that the credit risk has not increased significantly since initial recognition and accordingly can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such determination that the financial asset has low credit risk, the entity applied its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (*continued*)

(h) Financial Instruments (*continued*)

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or relative to the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

At each reporting date, the entity recognised the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. An amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

(i) Comparative Figures

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

(j) Affiliation Fees

Affiliation fees were paid during the 2019 and 2018 years to the Victorian Trades Hall Council, C.I.C.D., Bendigo Trades Hall Council, Ballarat Trades & Labour, South West Trades & Labour Council, North East & Border Trades, Goulburn Valley Trades & Labour, Geelong Trades Hall Council, Gippsland Trades & Labour, Victorian Labor Party, Sunraysia T&LC.

(k) Donations and Grants

During the 2019 year, there were donations made that exceeding \$1,000.
During the 2019 year, there were no grants made that exceeded \$1,000.

(l) Fair Value Measurement

The entity measures financial instruments, such as, financial assets as at fair value through profit and loss, available for sale financial assets, and non-financial assets such as buildings, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 18.

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.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (*continued*)

(l) Fair Value Measurement (*continued*)

The principal or the most advantageous market must be accessible by the entity. 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 entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the entity 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 buildings. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the entity 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.

(m) Initial application of AASB 9: Financial Instruments

The entity has adopted AASB 9: *Financial Instruments* with a date of initial application of 1 January 2018. As a result, the entity 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 expectations (ie when hedge accounting in terms of the standard).

Disclosure: Initial application of AASB 9

There were no financial assets/liabilities which the entity 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. There were no financial assets/liabilities which the entity has elected to designate as at fair value through profit or loss at the date of initial application of AASB 9.

The entity 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 and general hedge accounting.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION
(VICTORIAN BRANCH)**

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

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (*continued*)

(m) Initial application of AASB 9: Financial Instruments (*continued*)

The date of initial application was 1 January 2018. The entity has applied AASB 9 to instruments that have not been derecognised as at 1 January 2018 and has not applied AASB 9 to instruments that have already been derecognised as at 1 January 2018. Comparative amounts in relation to instruments that have not been derecognised as at 1 January 2018 have been restated where appropriate.

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.

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 directors of the entity determined the existing financial assets as at 1 January 2018 based on the facts and circumstances that were present and determined that the initial application of AASB 9 had the following effect:

- the entity'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 other comprehensive income. The movement in fair value on equity instruments is accumulated in the financial assets reserve;
- 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.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (*continued*)

(m) Initial application of AASB 9: Financial Instruments (*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 entity 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.

The entity reviewed and assessed the existing financial assets on 1 January 2018. The assessment was done to test the impairment of these financial assets using reasonable and supportable information that is available to determine the credit risk of the respective items at the date they were initially recognised. The assessment was compared to the credit risk as at 1 January 2017 and 1 January 2018. The assessment was done without undue cost or effort in accordance with AASB 9.

(n) Acquisition of assets and/or liabilities

No assets and/or liabilities were acquired as a result of business combination, amalgamation under Part 2 of Chapter 3 of the RO Act, restructure of the branches of the organisation, or determination or revocation by the Commissioner of the Fair Work Commission under subsections 245 (1) or 249 (1) of the RO Act.

(o) New Australian Accounting Standards

Adoption of New Australian Accounting Standards

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

Future Australian Accounting Standards Requirements Accounting Standards

AASB 16 Leases (AASB 16)

AASB 16 was issued in January 2016 and it replaces AASB 117 Leases, AASB Interpretation 4 Determining whether an Arrangement contains a Lease, AASB Interpretation-115 Operating Leases-Incentives and AASB Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

For Not-for-Profit entities, AASB 16 will commence from financial years beginning on or after 1 January 2019. Either a full retrospective application or a modified retrospective application is required for AASB 16. The Association plans to adopt AASB 16 on the required effective date 1 July 2019 by using modified retrospective method.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (*continued*)

(o) New Australian Accounting Standards (*continued*)

AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under AASB 16 is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.

The Board has assessed that there will not be a material impact on the financial statements upon adoption of AASB 16.

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

AASB 1058 clarifies and simplifies the income recognition requirements that apply to Not-for-Profit (NFP) entities in conjunction with AASB 15. AASB 1058 and AASB 15 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.

For NFP entities, both AASB 1058 and 15 will commence from financial years beginning on or after 1 January 2019. Either a full retrospective application or a modified retrospective application is required for AASB 15. The Association plans to adopt AASB 15 on the required effective date 1 July 2019 of using modified retrospective method.

The Board has assessed that there will not be a material impact on the financial statements upon adoption of AASB 1058 and AASB 15.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION
(VICTORIAN BRANCH)**

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

NOTE 2: 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 sub-sections (1) to (3) of section 272 which reads as follows:

Information to be provided to members or Commissioner:

- (1) A member of a reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

NOTE 3: RELATED PARTY INFORMATION

- (a) The names of the members of Committee of Management in office at any time during or since the end of the financial year are:

<u>Name</u>	<u>Position</u>	<u>Period</u>
Kathleen Haddock	President	1 July 2018 to 30 June 2019
Daniel Gili	Vice President	1 July 2018 to 30 June 2019
Paul Conway	Branch Secretary	1 July 2018 to 30 June 2019
Gwynnyth Evans	Assistant Branch Secretary	1 July 2018 to 30 June 2019
Vaughan Allen	Ordinary Member	1 July 2018 to 30 June 2019
Gavan Bishop	Ordinary Member	1 July 2018 to 30 June 2019
Adam Blyth	Ordinary Member	1 July 2018 to 30 June 2019
Martha Bozan	Ordinary Member	1 July 2018 to 30 June 2019
Francis Brook	Ordinary Member	1 July 2018 to 30 June 2019
William Budge	Ordinary Member	1 July 2018 to 30 June 2019
Baden Collisson	Ordinary Member	1 July 2018 to 30 June 2019
Stephen Conway	Ordinary Member	1 July 2018 to 30 June 2019
Russell Dempster	Ordinary Member	1 July 2018 to 30 June 2019
Kevin Earl	Ordinary Member	1 July 2018 to 30 June 2019
Darrel Holgate	Ordinary Member	1 July 2018 to 30 June 2019
Darren Jasper	Ordinary Member	1 July 2018 to 30 June 2019
Jarrold Jones	Ordinary Member	1 July 2018 to 30 June 2019
Benjamin LePoidevin	Ordinary Member	1 July 2018 to 30 June 2019
Dione Pedrina	Ordinary Member	1 July 2018 to 30 June 2019
Jason Peters	Ordinary Member	1 July 2018 to 30 June 2019
Jason Piper	Ordinary Member	1 July 2018 to 30 June 2019
Robert Slimmon	Ordinary Member	1 July 2018 to 30 June 2019
Christopher Wialletton	Ordinary Member	1 July 2018 to 30 June 2019
Jason Williamson	Ordinary Member	1 July 2018 to 30 June 2019
Anthony Zaffiro	Ordinary Member	1 July 2018 to 30 June 2019
Anthony Saunders (Resigned on 12 June 2019)	Ordinary Member	1 July 2018 to 12 June 2019

The following persons are Branch Delegate to the Federal Council:

Paul Conway
Gwynnyth Evans
Jason Piper

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION
(VICTORIAN BRANCH)**

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

2019 **2018**
\$ \$

NOTE 3: RELATED PARTY INFORMATION (continued)

(b) Key Management Personnel

Key Management Personnel includes only the members of the Committee of Management named above.

(c) Key Management Personnel Compensation

	Total	Short-term Employee Benefits	Post- Employment Benefits	Other Long-term Benefits	Termination Benefits	Share Based Payment
	\$	\$	\$	\$	\$	\$
2019						
Total Compensation	633,765	563,425	54,542	15,798	-	-
2018						
Total Compensation	659,314	579,584	72,075	7,654	-	-

(d) Other transactions between the Committee of Management and the Union were conducted on normal commercial terms in respect of membership fees, and reimbursement for lost time.

(e) Other Related Party Transactions

(i) *Per Capita Payment*

During the year the Victorian Branch of the Union paid to the Federal Office of the Union a per capita payment calculated in accordance with the rules. The capitation fee was paid for the period up to June 2019.

124,475 80,439

The below related party transactions relate to the Union's dealings with the Meat Industry Employees Superannuation Fund. Four directors of the Trustee Company that operates the fund, Meat Industry Employees Super Fund Pty Ltd, are appointed by the Union. This includes the current Secretary of the Union.

(ii) *Administration and Secretarial Services Reimbursement*

During the period the Victorian Branch of the Union received from the Meat Industry Employees Superannuation Fund reimbursement for Administration and Secretarial Services Provided.

22,926 26,603

(iii) *Rent Paid for Carparks and Insurance*

During the period the Victorian Branch of the Union paid rental to the Meat Industry Employees Superannuation Fund for use of four carparks at 62 Lygon Street, Carlton. Reimbursement was also made for related insurance expenses to the Superannuation Fund.

17,632 18,097

(iv) *Journal Advertisement*

During the period the Meat Industry Employees Superannuation Fund purchased advertising in the Journal published by the Union.

2,446 9,957

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION
(VICTORIAN BRANCH)**

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

	2019 \$	2018 \$
NOTE 4: EMPLOYEE BENEFITS		
Employees other than holders of office		
Wages & salaries	207,329	195,898
Leave and other entitlements	(43,351)	(30,398)
Superannuation	19,302	46,401
Separation and redundancies	-	-
Other employee expenses	-	-
Holders of office		
Wages & salaries	540,792	555,267
Leave and other entitlements	25,900	(15,258)
Superannuation	54,542	72,275
Separation and redundancies	-	-
Other employee expenses	-	-
Other staff costs	<u>54,490</u>	<u>54,995</u>
Total	<u>859,004</u>	<u>879,180</u>

Other staff costs primarily comprise payroll tax, fringe benefits tax and workcover.

NOTE 5: REVENUE

	2019 \$	2018 \$
Operating activities:		
- Subscriptions Received	1,363,304	1,278,019
- Capitation Fees Received	-	-
- Levies Received	-	-
- Grants or Donations Received	-	-
- Financial Support Received	-	-
- Interest (other persons/corporations)	30,088	5,803
- Other Revenue	<u>27,014</u>	<u>28,791</u>
Total Revenue per Statement of Comprehensive Income	<u>1,420,406</u>	<u>1,312,613</u>

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION
(VICTORIAN BRANCH)**

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

	2019 \$	2018 \$
NOTE 6: EXPENSES		
Capitations Fees:		
- AMIEU Federal Council	124,475	80,439
Depreciation & Amortisation of non-current assets:		
- property	12,750	11,500
- plant and equipment	16,256	18,309
- software	436	538
	<u>29,442</u>	<u>30,347</u>
Amounts set aside to Provisions:		
- Long Service Leave	37,376	(16,469)
- Sick Leave	(2,653)	(1,491)
- Annual Leave	(22,467)	(27,695)
- RDO	(5,195)	-
Net gain on sale of plant & equipment	-	34
Consideration paid to employers for payroll deductions	11,452	11,415
Affiliation Fees:		
- Australia Asia Workers Links	600	-
- Ballarat Trades & Labour	825	1,100
- Bendigo Trades Hall Council	1,300	780
- C.I.C.D	-	127
- Geelong Trades Hall Council	3,820	1,870
- Gippsland Trades & Labour	618	464
- Goulburn Valley Trades & Labour	1,040	4,860
- North-East & Border Trades	400	400
- South West Trades & Labour Council	300	225
- Sunraysia T&LC	130	199
- Victorian Trades Hall Council (VTHC)	38,363	30,749
- Victorian Labor Party	17,779	18,849
Total Affiliation Fees	<u>65,175</u>	<u>59,623</u>
Compulsory levies:		
- Campaign levies imposed by AMIEU Federal Council	14,547	-
- Campaign levies imposed by ACTU	-	-
- Campaign levies imposed by VTHC	-	-
Total Compulsory levies:	<u>14,547</u>	<u>-</u>
Donations and Grants:		
- Grants	-	-
- Donations	1,642	1,116
- Donations > \$1,000	1,000	-
Total Donations and Grants	<u>2,642</u>	<u>1,116</u>
There were no grants paid which exceeded \$1,000 during the year ended 30 June 2019 or 2018.		
Fees / allowances – meetings and conferences	-	353
Conference and meeting expenses	23,192	29,827
Legal costs and other expenses related to:		
- Litigation	139,095	-
- Other legal matters	-	-
Penalties – via RO Act or RO Regulations	-	-

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION
(VICTORIAN BRANCH)**

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

	2019 \$	2018 \$
NOTE 7: AUDITING EXPENSES		
Amounts receivable or due and receivable by the auditors in respect of:		
Auditing the financial report	13,000	12,000
Other services	<u>3,300</u>	<u>8,460</u>
	<u>16,300</u>	<u>20,460</u>

Other services provided by the Auditor are in the nature of audit work, taxation advice and assistance with accounting disclosure.

The auditors do not receive any other benefit from the entity.

NOTE 8: CASH & CASH EQUIVALENTS

Cash on hand	2,000	2,000
Cash at bank	<u>844,654</u>	<u>982,268</u>
	<u>846,654</u>	<u>984,268</u>

NOTE 9: RECEIVABLES

Receivables from other reporting unit	15,000	15,000
Prepayments	9,469	-
Sundry receivables	<u>193,565</u>	<u>110,215</u>
	<u>218,034</u>	<u>125,215</u>

During the 2017 financial year, the Branch agreed to provide a loan to the Australasian Meat Industry Employees Union SA / WA Branch on a non-commercial arm's length basis. Repayment terms are set out in the loan agreement which states repayment must be made within 4 years. There is no interest charged or security provided on this loan.

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

Property

Building Strata Title 2/62 Lygon Street - at valuation, 2019	790,000	-
Building Strata Title 2/62 Lygon Street - at valuation, 2018	-	510,000
Less: Accumulated Depreciation	-	-
	<u>790,000</u>	<u>510,000</u>

Art Collection

Art Collection - at cost	<u>30,685</u>	<u>30,685</u>
--------------------------	---------------	---------------

Plant and Equipment

Motor Vehicles - at cost	120,665	120,665
Less: Accumulated Depreciation	<u>(69,854)</u>	<u>(58,913)</u>
	<u>50,811</u>	<u>61,752</u>

Office Equipment - at cost	188,517	188,353
Less: Accumulated Depreciation	<u>(171,092)</u>	<u>(165,777)</u>
	<u>17,425</u>	<u>22,576</u>

Total Plant and Equipment	<u>68,236</u>	<u>84,328</u>
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Total Property, Plant and Equipment	<u>888,921</u>	<u>625,013</u>
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During the 2019 year, the Union revalued the property at 2/62 Lygon St, Carlton. The valuation of \$790,000 was adopted at 30 June 2019. The valuation was conducted by an independent valuer, Savills Valuation Pty Ltd, on 31 March 2019 based on the market value of the highest and best use.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION
(VICTORIAN BRANCH)**

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

NOTE 10: PROPERTY, PLANT AND EQUIPMENT (continued)

a. Movements in Carrying Amounts

Movements in carrying amounts for each class of property, plant & equipment between the beginning and end of the current financial year:

	Property \$	Art Collection \$	Plant and Equipment \$	Total \$
Year Ended 30 June 2019:				
Balance at the beginning of year	510,000	30,685	84,328	625,013
Additions	-	-	164	164
Disposals	-	-	-	-
Revaluation	292,750	-	-	292,750
Depreciation expense	<u>(12,750)</u>	<u>-</u>	<u>(16,256)</u>	<u>(29,006)</u>
Carrying amount at end of year	<u>790,000</u>	<u>30,685</u>	<u>68,236</u>	<u>888,921</u>

Year Ended 30 June 2018:

Balance at the beginning of year	460,000	30,685	90,103	580,788
Additions	-	-	21,000	21,000
Disposals	-	-	(8,466)	(8,466)
Revaluation	61,500	-	-	61,500
Depreciation expense	<u>(11,500)</u>	<u>-</u>	<u>(18,309)</u>	<u>(29,809)</u>
Carrying amount at end of year	<u>510,000</u>	<u>30,685</u>	<u>84,328</u>	<u>625,013</u>

b. Fair Value Measurement Hierarchy for Assets as at 30 June

	Carrying amount as at 30 June	Fair value measurement as at 30 June		
		Level 1 \$	Level 2 \$	Level 3 \$
2019 Building Strata Title	790,000	-	790,000	-
2018 Building Strata Title	510,000	-	510,000	-

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION
(VICTORIAN BRANCH)**

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

	2019 \$	2018 \$
NOTE 11: INTANGIBLES		
Computer Software	12,500	12,500
Less: Accumulated Amortisation	<u>(8,577)</u>	<u>(8,195)</u>
	<u>3,923</u>	<u>4,305</u>

a) Movements in Carrying Amounts

Movements in carrying amounts for intangibles between the beginning and end of the current financial year:

Balance at the beginning of year	4,305	4,843
Additions	-	-
Disposals	-	-
Revaluation	-	-
Amortisation expense	<u>(382)</u>	<u>(538)</u>
Carrying amount at end of year	<u>3,923</u>	<u>4,305</u>

NOTE 12: PAYABLES

Payables to other reporting units	-	-
Other payables:		
Legal costs	31,311	-
Consideration to employers for payroll deductions	-	-
Sundry Creditors	<u>118,267</u>	<u>119,656</u>
	<u>149,578</u>	<u>119,656</u>

NOTE 13: PROVISION FOR EMPLOYEE BENEFITS

Current

Annual leave	121,742	99,275
Sick leave	15,533	12,880
Long service leave	91,108	137,637
RDO	7,338	-
Separation and redundancies	-	-
Other employee benefits	<u>-</u>	<u>-</u>
	<u>235,721</u>	<u>249,792</u>

Non-Current

Long service leave	17,261	8,108
Separation and redundancies	-	-
Other employee benefits	<u>-</u>	<u>-</u>
	<u>17,261</u>	<u>8,108</u>

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION
(VICTORIAN BRANCH)**

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

	2019 \$	2018 \$
NOTE 13: PROVISION FOR EMPLOYEE BENEFITS <i>(continued)</i>		
(a) Aggregate employee benefit liability	<u>252,982</u>	<u>257,900</u>
(b) Provision for annual leave in respect to:		
Elected Officials	107,597	91,337
Administrative Staff	<u>14,145</u>	<u>7,938</u>
	<u>121,742</u>	<u>99,275</u>
(c) Provision for sick leave in respect to:		
Elected Officials	9,752	8,710
Administrative Staff	<u>5,781</u>	<u>4,170</u>
	<u>15,533</u>	<u>12,880</u>
(d) Provision for long service leave in respect to:		
Elected Officials	102,667	86,867
Administrative Staff	<u>5,702</u>	<u>58,878</u>
	<u>108,369</u>	<u>145,745</u>
(e) Provision for RDO in respect to:		
Elected Officials	5,331	-
Administrative Staff	<u>2,007</u>	<u>-</u>
	<u>7,338</u>	<u>-</u>
(f) Provision for separation and redundancies in respect to:		
Elected Officials	-	-
Administrative Staff	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
(g) Provision for other employee benefits in respect to:		
Elected Officials	-	-
Administrative Staff	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

A provision has been recognised for employee entitlements relating to long service leave. In calculating the value of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee entitlements have been included in Note 1(g) of the report.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION
(VICTORIAN BRANCH)**

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

	2019 \$	2018 \$
NOTE 14: RESERVES		
Asset Revaluation Reserve	<u>731,644</u>	<u>438,894</u>
	<u>731,644</u>	<u>438,894</u>
Balance at beginning of financial year	438,894	377,394
Movement for the year	<u>292,750</u>	<u>61,500</u>
Balance at end of financial year	<u>731,644</u>	<u>438,894</u>

The asset revaluation reserve records revaluation increments and decrements (that do not represent impairment write-downs) that relates to the Union's property disclosed in Note 10.

Special Funds

There has been no fund or account operated and no monies invested in any assets in respect of compulsory levies raised by the reporting unit or voluntary contributions collected from members of the reporting unit.

There has been no fund or account operated (other than the general fund and asset revaluation reserve), the operation of which is required by the rules of the organisation. There have been no transfers to or withdrawals to a fund, account or controlled entity, where any of these are kept for a specific purpose(s) by the reporting unit.

NOTE 15: CONTINGENT ASSETS/LIABILITIES

As at 30 June 2019 there were no contingent liabilities or assets to report (2018: Nil).

NOTE 16: CASH FLOW INFORMATION

(a) Reconciliation of Cash & Cash Equivalents

For the purposes of the Statement of Cash Flows, cash includes cash on hand and cash at bank.

Cash and cash equivalents at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the balance sheet as follows:

Cash and Bank Deposits	<u>846,654</u>	<u>984,268</u>
	<u>846,654</u>	<u>984,268</u>

(b) Reconciliation of Net Cash Provided from Operating Activities to Operating Profit

Operating loss	(97,464)	(3,135)
<i>Non-cash flows in Operating Profit</i>		
Depreciation and amortisation	29,388	30,347
Profit from disposal of property, plant and equipment	-	(34)
<i>Non-operating cashflows in Operating Profit</i>		
<i>Changes in Assets and Liabilities</i>		
Increase in sundry debtors	(92,819)	(67,739)
Increase in stock on hand	(1,559)	(2,499)
Increase in trade creditors and accruals	29,922	35,030
Decrease in employee provisions	<u>(4,918)</u>	<u>(45,656)</u>
Net cashflows used in operating activities	<u>(137,450)</u>	<u>(53,686)</u>

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION
(VICTORIAN BRANCH)**

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

2019 2018
\$ \$

NOTE 16: CASH FLOW INFORMATION (continued)

(c) Non-Cash Activities

Property, plant and equipment:

During 2019 there was no acquisition of property, plant and equipment by means of hire purchase agreements (2018: Nil).

(d) Receipts and Payments to Other Reporting Units/Controlled Entity

Payments to AMIEU Federal Council	(98,818)	(77,429)
Receipts from AMIEU Federal Council	-	5,095

NOTE 17: FINANCIAL INSTRUMENTS

17(a) Terms, conditions and accounting policies

The Union's terms, conditions and accounting policies of financial instruments are those adopted by businesses in Australia generally.

17(b) Interest rate risk

The Union's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised are as follows:

	Total Carrying Value		Weighted Average Interest Rates		Non Interest Bearing		Floating Interest Rate		Fixed Interest Rate	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	\$	\$	%	%	\$	\$	\$	\$	\$	\$
Financial Assets										
Cash and Bank Deposits	846,654	984,268	-	-	2,000	2,000	844,654	982,268	-	-
Sundry Receivables	218,034	125,215	-	-	218,034	125,215	-	-	-	-
Total Financial Assets	1,064,688	1,109,483			220,034	127,215	844,654	982,268		
Financial Liabilities										
Accounts Payable	149,578	119,656	-	-	149,578	119,656	-	-	-	-
Branch Loans	-	-	-	-	-	-	-	-	-	-
Total Financial Liabilities	149,578	119,656			149,578	119,656				

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION
(VICTORIAN BRANCH)**

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

NOTE 17: FINANCIAL INSTRUMENTS (continued)

17(c) Market Risk

The Union's sensitivity to market risk is the risk that a financial instrument's value will fluctuate as a result of changes in price indexes or changes in returns on investments.

Taking into account past performance, future expectations, economic forecasts and experience of the financial markets, the possible impact on net operating result and equity over the next 12 months is as follows:

2019	Total Carrying Value	Interest Rate Risk				Price Risk			
		-0.5% Profit	-0.5% Equity	+0.5% Profit	+0.5% Equity	-50% Profit	-50% Equity	+50% Profit	+50% Equity
Financial Assets									
Cash and Bank Deposits	846,654	(4,233)	(4,233)	4,233	4,233	-	-	-	-
Sundry Receivables	218,034		-	-	-	-	-	-	-
Financial Liabilities									
Accounts Payable	149,578		-	-	-	-	-	-	-
Branch Loans	-		-	-	-	-	-	-	-

2018	Total Carrying Value	Interest Rate Risk				Price Risk			
		-0.5% Profit	-0.5% Equity	+0.5% Profit	+0.5% Equity	-50% Profit	-50% Equity	+50% Profit	+50% Equity
Financial Assets									
Cash and Bank Deposits	984,268	(4,921)	(4,921)	4,921	4,921	-	-	-	-
Sundry Receivables	125,215		-	-	-	-	-	-	-
Financial Liabilities									
Accounts Payable	119,656		-	-	-	-	-	-	-
Branch Loans	-		-	-	-	-	-	-	-

17(d) Net Fair Values

The net fair values of the Union's financial assets and financial liabilities are not expected to be materially different from net carrying value of each class of asset and liability as disclosed above and recognised in the balance sheet as at 30 June 2019.

17(e) Credit Risk

The Union does not have any significant exposure to credit risk.

17(f) Liquidity Risk

The Union manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised cash holdings are maintained.

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION
(VICTORIAN BRANCH)**

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

NOTE 18: FAIR VALUE MEASUREMENT

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

	Total Carrying Value		Fair Value	
	2019 \$	2018 \$	2019 %	2018 %
Financial Assets				
Cash and Bank Deposits	846,654	984,268	846,654	984,268
Sundry Receivables	218,034	125,215	218,034	125,215
Total Financial Assets	1,064,688	1,109,483	1,064,688	1,109,483
Financial Liabilities				
Accounts Payable	149,578	119,656	149,578	119,656
Branch Loans	-	-	-	-
Total Financial Liabilities	149,578	119,656	149,578	119,656

**AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION
(VICTORIAN BRANCH)**

OFFICER DECLARATION STATEMENT

I, Paul Conway, being the Branch Secretary of the Committee of Management of the Australasian Meat Industry Employees Union Victorian Branch, declare that the following activities did not occur during the reporting period ending 30 June 2019.

The reporting unit did not:

- receive capitation fees from another reporting unit
- receive any other revenue from another reporting unit
- receive revenue from undertaking recovery of wages activity
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- have a balance within the general fund
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit



PAUL CONWAY

Branch Secretary

Dated in Melbourne on this 13 day of November 2019.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION
(VICTORIAN BRANCH) ("AMIEU")**

Opinion

I have audited the financial report of Australasian Meat Industry Employees Union (Victorian Branch) ("AMIEU"), which comprises the statement of financial position as at 30 June 2019 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, the Committee of Management's Statement and the subsection 255(2A) report and the Officer Declaration Statement of the Reporting Unit.

In my opinion the accompanying financial report of AMIEU presents fairly, in all material respects, the entity's financial position as at 30 June 2019 and their financial performance and their cash flows for the year then ended in accordance with:

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

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

Basis for Opinion

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

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

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

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

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

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION
(VICTORIAN BRANCH) ("AMIEU") (CONTINUED)**

Responsibilities of the Committee of Management for the Financial Report

The Committee of Management of AMIEU is responsible for the preparation and fair presentation of the financial report 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 is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION
(VICTORIAN BRANCH) ("AMIEU") (CONTINUED)**

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

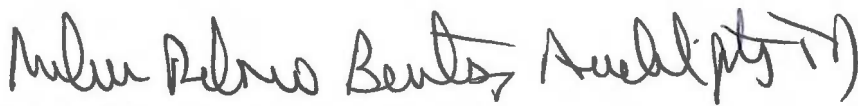
I communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

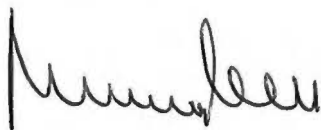
Report on Other Legal and Regulatory Requirements

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

I did not identify any matters to report in this regard.



McLean Delmo Bentleys Audit Pty Ltd



**Martin Fensome
Partner**

Hawthorn
13 November 2019

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/143



2 July 2019

Paul Conway
Branch Secretary/Treasurer
Australasian Meat Industry Employees' Union, The-Victorian Branch
Sent via email: pconway@amievic.net

Dear Paul Conway,

**Re: Lodgement of Financial Report - FR2019/153
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Australasian Meat Industry Employees' Union, The-Victorian 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

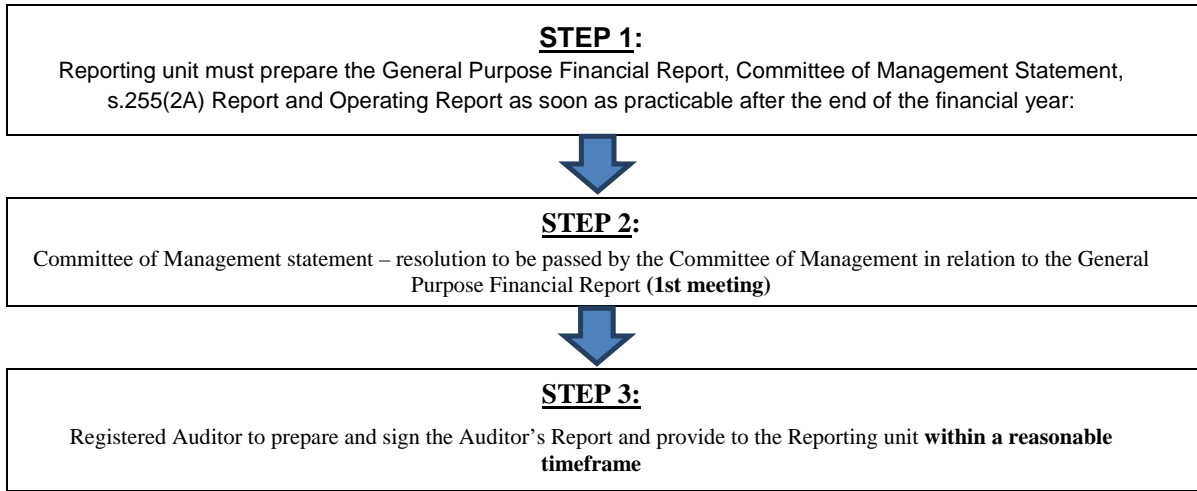


Fact sheet

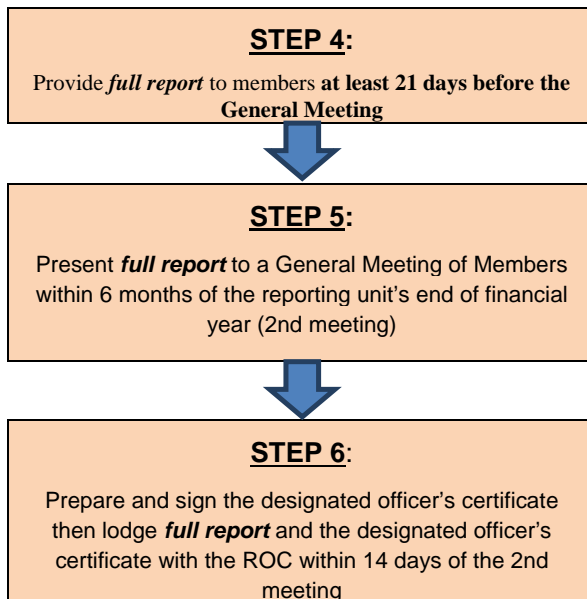
Summary of financial reporting timelines – s.253 financial reports

General Information:

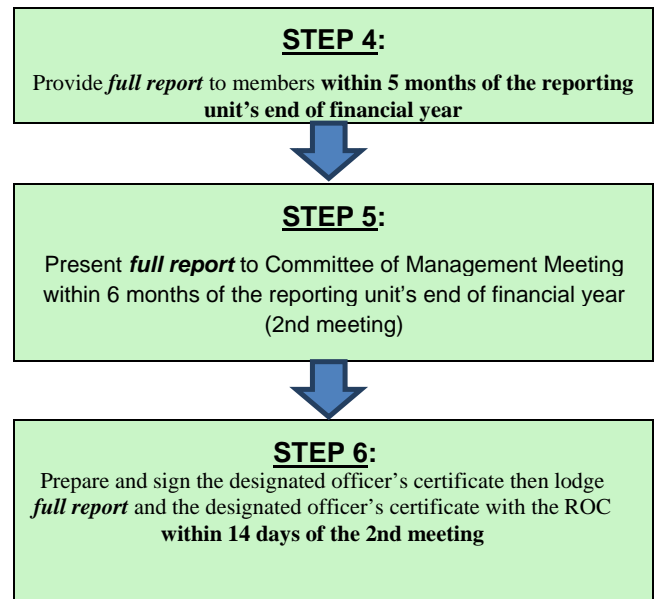
- The **full report** consists of the General Purpose Financial Report, Committee of Management Statement, Operating report, s.255(2A) Report and signed Auditors' Report
- For an explanation of each of the steps below see our [Fact sheet—financial reporting process](#).



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



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



Misconceptions

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

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

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



Fact sheet

Loans, Grants & Donations

The Loans, Grants & Donations Requirements

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

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

The Loans, Grants & Donations Statement

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

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

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

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

Common misconceptions

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

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

Grants & Donations within the Financial Report

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

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

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

Note 4E: Grants or donations*

	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