



FAIR WORK  
AUSTRALIA

15 March 2012

Mr Ronald Murphy  
Secretary  
The Breweries and Bottleyards Employees' Industrial Union of Workers of Western Australia  
email: [beu@rts.com.au](mailto:beu@rts.com.au)

Dear Mr Murphy

**Re: Financial Report for The Breweries and Bottleyards Employees' Industrial Union of Workers of Western Australia for year ended 30 September 2011 – FR2011/2819**

I acknowledge receipt of the revised Audit Report in reply to correspondence of Fair Work Australia (FWA) dated 23 January 2012 for the financial report for The Breweries and Bottleyards Employees' Industrial Union of Workers of Western Australia for the year ended 30 September 2011. The revised report was lodged with FWA on 10 February 2012. I apologise for the delay in processing this matter.

The financial report has now been filed.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged.

**Operating Report**

**Right of members to resign**

Subsection 254(2)(c) of the Fair Work (Registered Organisations) Act 2009 (the Act) requires the operating report to 'give details' of the right of members to resign from the reporting unit under section 174 of the Act. This requirement may be met by the inclusion of a statement that a member has the right to resign and a reference to the relevant rule, which makes such provision. Alternatively, the complete text of the relevant resignation rule may be reproduced in the report. It would appear in this case that rule 7 of the organisation's Rules is applicable.

**Trustee of superannuation entity**

Subsection 254(2)(d) of the Act requires details of any *officer or member* of the reporting unit who is a trustee, or a director of a company that is a trustee, of a superannuation entity or an exempt public sector superannuation scheme to be provided in the operating report *'where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation'*.

If no officers or members of the reporting unit is a trustee of a superannuation entity, the preferred wording to satisfy the s.254(2)(d) is:

*'No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.'*

## Notes to Financial Reports

### Entity

Note 1 to the Notes to the financial statements states:

The financial report covers The Breweries and Bottleyards Employees' Industrial Union of Workers of WA ('Union') as an individual entity. Breweries and Bottleyards Employees' Industrial Union of Workers of WA is an association incorporated in Western Australia.

It should be noted that The Breweries and Bottleyards Employees' Industrial Union of Workers of Western Australia is registered under the Fair Work (Registered Organisations) Act 2009.

Notice under section 272(5) of the Act

As you are aware the notes to the General Purpose Financial Report are required to include a notice drawing attention to the fact that information prescribed by the Fair Work (Registered Organisations) Regulations 2009 is available to members on request. Note 20 to the financial statements reproduces the wording from outdated legislation. Instead the wording should read as follows:

- (1) A member of a reporting unit, or the General Manager, 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).

Please ensure that future notes contain this extract of the Act word for word.

### Old legislative references

Reference to the 'Registration And Accountability of Organisations (RAO) Schedule', 'RAO Schedule' and 'RAO Regulations' where appearing in the Committee of Management statement should properly refer to the 'Fair Work (Registered Organisations) Act 2009' and 'Fair Work (Registered Organisations) Regulations 2009' respectively.

If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7764.

Yours sincerely



Kevin Donnellan

Organisations, Research and Advice

Fair Work Australia

Email: [kevin.donnellan@fwa.gov.au](mailto:kevin.donnellan@fwa.gov.au)

# BREWERIES EMPLOYEES UNION

The Breweries & Bottleyards Employees  
Industrial Union of Workers of Western Australia

(registered under the Fair Work (Registered Organisations) Act 2009  
and the Industrial Relations Act 1979). ABN 73 507 364 966

Unit 11, 64 Bannister Rd,  
Canning Vale WA 6155  
PO Box 1455  
Canning Vale WA 6970

Phone: 9455 4633

Fax: 9455 4733

Email: beu@rts.com.au

23<sup>rd</sup> January, 2012

Mr Kevin Donnellan  
Organisations Research & Advice  
Fair Work Australia  
GPO Box 1994  
MELBOURNE VIC 3001

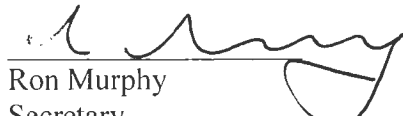


Dear Mr Donnellan,

**Re: Financial Report for the above Union for year ended 30 September 2011 –  
FR2011/2819.**

In response to your letter of 23 January, 2012 and your request therein please find enclosed herewith the revised Audit Opinion.

For and on behalf of the above Union,  
Yours Sincerely,

  
Ron Murphy  
Secretary

## **INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF BREWERIES AND BOTTLEYARDS EMPLOYEES' INDUSTRIAL UNION OF WORKERS OF WESTERN AUSTRALIA**

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the Breweries and Bottleyards Employees' Industrial Union of Workers of Western Australia ("the Union"), which comprises the statement of financial position as at 30 September 2011 and the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Committee of Management's operating report and statement.

### **Committee's Responsibility for the Financial Statements**

The Committee of Management is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009 ("Act"). This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In Note 1, the Committee Members also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial statements, comprising the financial statements and notes, comply with IFRS.

### **Auditor's Responsibility**

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

**Independence**

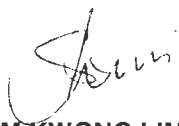
In conducting my audit, I have complied with the independence requirements of the Australian professional ethical pronouncements. I confirm that the independence declaration provided to the Committee of Management would be in the same terms if provided to the Committee of Management as at the date of this auditors report.

**Auditor's Opinion**

In my opinion;

- (1) the financial statements of the Breweries and Bottleyards Employees' Industrial Union of Workers of Western Australia is in accordance with
  - (a) In our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009
  - (b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.
- (2) the Union has kept satisfactory accounting records for the financial year including records of:
  - (i) the sources and nature of the Union's income, including membership subscriptions and other income from members; and
  - (ii) the nature of and reasons for the Union's expenditure.
- (3) All the information and explanations that officers and employees of the Union were required to provide have been provided; and
- (4) There was no deficiency, failure or shortcoming in any matters referred to in (1) to (3) above.

Dated the 23 day of November 2011



**SIM KWONG LIM**

Registered Company Auditor  
Registration Number: 14053



FAIR WORK  
AUSTRALIA

23 January 2012

Mr Ronald Murphy  
Secretary  
The Breweries and Bottleyards Employees' Industrial Union of Workers of Western Australia  
email: [beu@rts.com.au](mailto:beu@rts.com.au)

Dear Mr Murphy

**Re: Financial Report for The Breweries and Bottleyards Employees' Industrial Union of Workers of Western Australia for year ended 30 September 2011 – FR2011/2819**

I acknowledge receipt of the financial report for The Breweries and Bottleyards Employees' Industrial Union of Workers of Western Australia (the Union) for the year ended 30 September 2011. The report was lodged with Fair Work Australia (FWA) on 29 December 2011.

The financial report has not been filed.

The following matters require your attention before any action can be taken to file the above report.

**Audit Report**

**Auditor's Opinion**

The Audit Report contained the following opinion:

In my opinion;

- (1) the financial statements of the Breweries and Bottleyards Employees' Industrial Union of Workers of Western Australia is in accordance with
  - (a) the fair Work (Registered Organisations) Act 2009, including:
    - (i) giving a true and fair view of the Union's financial position as at 30 September 2011 and of its performance for the year ended on that date; and
    - (ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations); and
  - (b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.
- (2) the Union has kept satisfactory accounting records for the financial year including records of:
  - (i) the sources and nature of the Union's income, including membership subscriptions and other income from members; and
  - (ii) the nature and reasons for the Union's expenditure.
- (3) All the information and explanations that officers and employees of the Union were required to provide have been provided; and
- (4) There was no deficiency, failure or shortcoming in any matters referred to in (1) to (3) above

The term 'true and fair view' was used in the superseded legislation. Subsection 257(5) of the Fair Work (Registered Organisations) Act 2009 (the Act) sets out the matters upon which an auditor is required to make an opinion. In particular an opinion is required on whether the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and other requirements of the Act. The following wording in the auditor's opinion would satisfy the requirements:

In my opinion;

- (1) the financial statements of the Breweries and Bottleyards Employees' Industrial Union of Workers of Western Australia is in accordance with
  - (a) In our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.
  - (b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.
- (2) the Union has kept satisfactory accounting records for the financial year including records of:
  - (i) the sources and nature of the Union's income, including membership subscriptions and other income from members; and
  - (ii) the nature and reasons for the Union's expenditure.
- (3) All the information and explanations that officers and employees of the Union were required to provide have been provided; and
- (4) There was no deficiency, failure or shortcoming in any matters referred to in (1) to (3) above

Could the Union obtain from the Auditor and lodge with FWA a revised Audit Opinion.

If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7764.

Yours sincerely



Kevin Donnellan

Organisations, Research and Advice

Fair Work Australia

Email: [kevin.donnellan@fwa.gov.au](mailto:kevin.donnellan@fwa.gov.au)



# BREWERIES EMPLOYEES UNION

The Breweries & Bottleyards Employees  
Industrial Union of Workers of Western Australia  
(registered under the Fair Work (Registered Organisations) Act 2009  
and the Industrial Relations Act 1979). ABN 73 507 364 966

Unit 11, 64 Bannister Rd,  
Canning Vale WA 6155  
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Canning Vale WA 6970


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Email: [beu@rts.com.au](mailto:beu@rts.com.au)

## Designated Officer's Certificate

s268 Fair Work (Registered Organisations) Act 2009

I Ronald James Murphy being the Secretary of The Breweries & Bottleyards Employees' Industrial Union of Workers of Western Australia certify:

- that the documents lodged herewith are copies of the full report, referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members on 23<sup>rd</sup> November, 2011; and
- that the full report was presented to a General Meeting of Members of the reporting unit on 15<sup>th</sup> December, 2011; in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

  
Ronald James Murphy

22<sup>nd</sup> December, 2011







ACCOUNTANTS AUSTRALIA



**Breweries And Bottleyards Employees' Industrial Union Of  
Workers Of WA**

ABN 73 507 364 966

Financial Statements

For the year ended 30 September 2011

"BUILDING A BETTER BUSINESS WITH YOU"

ACCOUNTANTS AUSTRALIA PTY LTD ABN 87 098 369 067

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Standards Legislation.

**Breweries And Bottleyards Employees' Industrial Union Of Workers Of WA**  
**ABN 73 507 364 966**

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**Breweries And Bottleyards Employees' Industrial Union Of Workers Of WA**  
**ABN 73 507 364 966**

**Committee of Management's Operating Report**

**For the Year ended 30 September 2011**

**Operating Report**

In accordance with section 254 of the Fair Work (Registered Organisations) Act 2009 ("Act") the Committee of Management ("the Committee") presents its Operating Report on the Breweries And Bottleyards Employees' Industrial Union Of Workers Of WA for the year ended 30 September 2011.

**Principal Activities**

The principal activity of the Union is to act to uphold the rights of organisational labour and to improve, protect and foster the best interests of its members, and to subscribe to and /or operate with a policy of improving the conditions of employment of its members.

**Operating Results**

The profit for the financial year amounted to \$200,452. (2010: \$110,307)

As a result of providing services to Members the Union established and/or maintained agreements with its Member's employers which delivered increases in wages and/or conditions to all Members.

**Review of Operations**

There were no significant changes in the nature of activities or of the results of operations.  
There were no significant changes in the financial affairs of the Union during the financial year.

**After Balance Date Events**

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

**Future Developments**

The Union expects to maintain the present status and level of operations and hence there are no likely developments in the operations in future financial years.

**Environmental Issues**

The Union's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

**Members Right to Resign**

Subject to the provisions of any Act a member may resign by giving notice in writing to the Secretary of the Union.

**Membership of the Union**

Number of members as at 30<sup>th</sup> September 2011 is 95. (2010: 97)

**Breweries And Bottleyards Employees' Industrial Union Of Workers Of WA**  
**ABN 73 507 364 966**

**Employees of the Union**

Number of employees as at 30<sup>th</sup> September 2011 is 6. (2010: 6)

**Members of the Committee of Management**

The following persons were Members of the Committee of Management for the entire financial year (1/10/2010 to 30/09/2011):

President	Robert George Bunce
Vice President	Charles Edward Dooley
Secretary	Ronald James Murphy
Treasurer	Vanessa Louise Donald
Trustee	Warren John Mews
Committee	
Member	Russell Wayne Bonner
Committee	
Member	Frederick Maroni
Committee	
Member	Clifford Charles Baughen

**Indemnifying Officer or Auditor**

No indemnities have been given or agreed to be given or insurance premiums paid or agreed to be paid, during or since the end of the financial year, to any person who is or has been an officer or auditor of the company.

**Proceedings on Behalf of Union**


No person has applied for leave of Court to bring proceedings on behalf of the Union or intervene in any proceedings to which the Union is a party for the purpose of taking responsibility on behalf of the Union for all or any part of those proceedings. The Union was not a party to any such proceedings during the year.

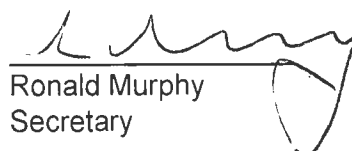
**Auditors Independence Declaration**

A copy of the auditor's independence declaration is set out on page 4.

This operating report is hereby signed on behalf of the committee of management of the Union in accordance with a resolution passed by the committee of management on 22 November, 2011.

Dated this 22 of November, 2011.

  
Robert Bunce  
President

  
Ronald Murphy  
Secretary

## **Committee of Management Statement**

On 22 November 2011, the Committee of Management of the Union passed the following resolution to the General Purpose Financial Statements of the Union for the year ended 30 September 2011.

The Committee of Management declares in relation to the General Purpose Financial Statements that in its opinion:

- a) the financial statements and notes comply with the Australian Accounting Standards and other mandatory professional reporting requirements;
- b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Union for the financial year to which they relate;
- d) there are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable; and
- e) during the financial year to which the general purpose financial statements relate and since the end of that year.
  - i. meetings of the Committee of Management were held in accordance with the rules of the organization including the rules of the branch concerned; and
  - ii. the financial affairs of the Union have been managed in accordance with the rules of the organization including the rules of the branch concerned; and
  - iii. the financial records of the Union have been kept and maintained in accordance with the *Registration And Accountability of Organizations (RAO) Schedule* and the *RAO Regulations*; and
  - iv. the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organization; and
  - v. the information sought in any request of a member of the Union or the General Manager duly made under section 272 of the *RAO Schedule* has been furnished to the member or the General Manager; and
  - vi. no orders have been made by the Commissioner under section 273 of the *RAO Schedule* during the year.

For the Committee of Management



22 Nov, 2011

Robert Bunce

President

**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE COMMITTEE OF MANAGEMENT OF  
BREWERIES AND BOTTLERYARDS EMPLOYEES' INDUSTRIAL  
UNION OF WORKERS OF WESTERN AUSTRALIA**

As lead auditor of the audit of the Breweries and Bottleyards Employees' Industrial Union of Workers of Western Australia for the year ended 30 September 2011, I declare that, to the best of my knowledge and belief, during the year ended 30 September 2011 there have been:

- i. no contraventions of any applicable code of professional conduct in relation to the audit.

Dated the 23 day of November 2011



**SIM KWONG LIM**  
Registered Company Auditor  
Registration Number: 14053

**Breweries And Bottleyards Employees' Industrial Union Of Workers Of WA**  
**ABN 73 507 364 966**

**Statement of Comprehensive Income**  
**For the year ended 30 September 2011**

	Notes	2011 \$	2010 \$
Revenue	2	763,168	703,667
Employee Benefit Expense	3(a)	(412,934)	(424,153)
Other expenses from ordinary activities	3	(149,782)	(169,207)
Profit before income tax		200,452	110,307
Income tax expense	1(a)	-	-
<b>Net profit attributable to members of the Union</b>		<b>200,452</b>	<b>110,307</b>



**Breweries And Bottleyards Employees' Industrial Union Of Workers Of WA**  
**ABN 73 507 364 966**

**Statement of Financial Position**  
**As at 30 September 2011**

	Notes	2011 \$	2010 \$
<b>Current Assets</b>			
Cash and cash equivalents	4	3,178,891	2,931,209
Receivables	5	44,349	81,597
<b>Total Current Assets</b>		<b>3,223,240</b>	<b>3,012,806</b>
<b>Non-Current Assets</b>			
Receivables	5	3,115,005	2,928,486
Financial assets	6	1,571,317	1,708,884
Property, plant and equipment, motor vehicles	7	164,006	177,473
<b>Total Non-Current Assets</b>		<b>4,850,328</b>	<b>4,814,843</b>
<b>Total Assets</b>		<b>8,073,568</b>	<b>7,827,649</b>
<b>Current Liabilities</b>			
Payables	8	114,622	96,939
Current tax liabilities	9	2,975	3,135
Provisions	10	20,167	
<b>Total Current Liabilities</b>		<b>137,764</b>	<b>100,074</b>
<b>Non-Current Liabilities</b>			
Provisions	10	68,930	61,153
<b>Total Non-Current Liabilities</b>		<b>68,930</b>	<b>61,153</b>
<b>Total Liabilities</b>		<b>206,694</b>	<b>161,227</b>
<b>Net Assets</b>		<b>7,866,874</b>	<b>7,666,422</b>
<b>Equity</b>			
Reserves		515,084	515,084
Retained profits		7,351,790	7,151,338
<b>Total Members' Funds</b>		<b>7,866,874</b>	<b>7,666,422</b>

**Breweries And Bottleyards Employees' Industrial Union Of Workers Of WA**  
**ABN 73 507 364 966**

**Statement of Changes in Equity**

	<b>Reserves</b>	<b>Retained Earnings</b>	<b>Total</b>
		<b>\$</b>	<b>\$</b>
<b>Balance at 1 Oct 2009</b>	501,067	7,041,031	7,542,098
Profit for the year		110,307	110,307
Other comprehensive income		0	0
Picnic Fund	14,017		14,017
<b>Balance at 30 Sept 2010</b>	<b>515,084</b>	<b>7,151,338</b>	<b>7,666,422</b>
 <b>Balance at 1 Oct 2010</b>	 515,084	 7,151,338	 7,666,422
Profit for the year		200,452	200,452
Other comprehensive income		0	0
Picnic Fund			
<b>Balance at 30 Sept 2011</b>	<b>515,084</b>	<b>7,351,790</b>	<b>7,866,874</b>

**Breweries And Bottleyards Employees' Industrial Union Of Workers Of WA**  
**ABN 73 507 364 966**

**Statement of Cash Flows**  
**For the year ended 30 September 2011**

	Note	2011 \$	2010 \$
<b>Cash Flows From Operating Activities</b>			
Receipts from customers		572,590	471,930
Payments to Suppliers and employees		(503,416)	(554,379)
Interest received		183,820	144,853
Dividend		31,820	34,271
<b>Net cash provided by (used in) operating activities</b>	<b>11(b)</b>	<b><u>284,814</u></b>	<b><u>96,675</u></b>
<b>Cash Flows From Investing Activities</b>			
<b>Payment for:</b>			
Loans to other related companies		(186,519)	253,407
Shares in other companies/other investments		<u>149,387</u>	<u>(262,829)</u>
<b>Net cash provided by (used in) investing activities</b>		<b>(37,132)</b>	<b>(9,422)</b>
 Net increase (decrease) in cash held		 247,682	 87,253
Cash at the beginning of the year		<u>2,931,209</u>	<u>2,843,956</u>
<b>Cash at the end of the year</b>	<b>11(a)</b>	<b><u>3,178,891</u></b>	<b><u>2,931,209</u></b>

The accompanying notes form part of these financial statements

**Breweries And Bottleyards Employees' Industrial Union Of Workers Of WA**  
**ABN 73 507 364 966**

**Notes to the Financial Statements**  
**For the year ended 30 September 2011**

**Note 1: Statement of Significant Accounting Policies**

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, including Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Fair Work (Registered Organisations) Act 2009 (the 'Act'). In accordance with generally accepted accounting principles for organisations having members, membership contributions are brought into account on a cash receipts basis.

The financial report covers Breweries And Bottleyards Employees' Industrial Union Of Workers Of WA ('Union') as an individual entity. Breweries And Bottleyards Employees' Industrial Union Of Workers Of WA is an association incorporated in Western Australia.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in the financial statements containing relevant and reliable information about transactions, events and conclusions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes comply with International Financial Reporting Standards.

The following is a summary of the material accounting policies adopted by the Union in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The financial report was authorised for issue on 16 November 2011 by the Committee of Management of the Union.

**Basis of Preparation**

*Reporting Basis and Conventions*

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, and financial assets and financial liabilities. As allowable by the Fair Work (Registered Organisations) Act 2009, membership income is recognised on a cash basis.

**(a) Income tax**

The Union is exempt from income tax by virtue of s50-45 of the Income Tax Assessment Act 1997.

**(b) Cash and Cash Equivalents**

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

**(c) Property, Plant and Equipment**

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

*i) Property*

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arms length transaction), based on periodic,

**Notes to the Financial Statements**  
**For the year ended 30 September 2011**

**Note 1: Statement of Significant Accounting Policies (Continued)**

but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

ii) Plant and equipment

Plant and equipment is 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 those 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 not been discounted to present values in determining the recoverable amounts.

The cost of fixed assets constructed within Breweries And Bottleyards Employees' Industrial Union Of Workers Of WA includes the cost of materials, direct labor, borrowing costs and an appropriate proportion of fixed and variable overheads.

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

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the assets original cost is transferred from the revaluation reserve to retained earnings.

iii) Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to Breweries And Bottleyards Employees' Industrial Union Of Workers Of WA commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

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

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

**Notes to the Financial Statements**  
**For the year ended 30 September 2011**

**Note 1: Statement of Significant Accounting Policies (Continued)**

**(d) Financial Instruments**

i) Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

ii) Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in fair value of these assets are included in the income statement in the period in which they arise.

iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are stated at amortised cost using the effective interest rate method.

iv) Held-to-maturity investments

These investments have fixed maturities, and it is the company's intention to hold these investments to maturity. Any held-to-maturity investments are stated at amortised cost using the effective interest rate method.

v) Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

vi) Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

**(e) Employee Benefits**

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year have been measured at the amount expected to be paid when the liability is settled, plus related on-costs. Employee entitlements payable later than one year have been measured at the present value of the estimated future cash out flows to be made for those entitlements.

**(f) Provisions**

Provision are recognised when Breweries And Bottleyards Employees' Industrial Union Of Workers Of WA has a legal or constructive obligation, as a result of past events, for which it is probable that the outflow of economic benefit will result and that the outflow can be measured reliably.

**Notes to the Financial Statements**  
**For the year ended 30 September 2011**

**Note 1: Statement of Significant Accounting Policies (Continued)**

**(g) Revenue**

Revenue from members is recognized on a cash basis.

Interest revenue is recognised on a proportional basis taking in to account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

**(h) Goods and Service Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(i) Trade and other payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Union during the reporting period which remain unpaid. The balance is recognized as a current liability with the amounts normally paid within 30 days of the recognition of the liability.

**(j) Comparative Figures**

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

**(k) Critical accounting estimates and judgments**

The committee members evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and internally.

*Key estimates – Impairment*

The committee members assesses impairment at each reporting date by evaluating conditions specific to the Union that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognised in respect of the current year



**Notes to the Financial Statements**  
**For the year ended 30 September 2011**

**Note 1: Statement of Significant Accounting Policies (Continued)**

**(l) Adoption of the New and Revised Accounting Standards**

During the current year, the Union has adopted all new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

There have been no new and revised Australian Accounting Standards and Interpretations that have come into effect during the current year which have impacted the financial statements of the Union.

**(m) New Accounting Standards for Application in Future Periods**

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Union has decided not to early adopt. A discussion of those future requirements and their impact on the Union is as follows:

*AASB 9: Financial Instruments (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2013)*

This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments. The Union has not yet determined any potential impact on the financial statements.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortized cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortized cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognized in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarge, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

*AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011)*

This standard removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies the definition of a 'related party' to remove inconsistencies and simplify the structure of the Standard. No changes are expected to materially affect the Union.

**Breweries And Bottleyards Employees' Industrial Union Of Workers Of WA**  
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**Notes to the Financial Statements**  
**For the year ended 30 September 2011**

**Note 1: Statement of Significant Accounting Policies (Continued)**

AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements {AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and interpretations 2, 4, 5, 15, 17, 127, 129 & 1052} (applicable for annual reporting periods commencing on or after 1 July 2013).

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements.

- Tier 1: Australian Accounting Standards; and
- Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements

Tier 2 of the framework comprises the recognition, measurement and presentation of requirements of Tier 1, but contains significantly fewer disclosure requirements.

The following entities are required to apply Tier 1 reporting requirement (ie full IFRS):

- for-profit private sector entities that have public accountability; and
- The Australian Government and state, territory and local governments.

**(m) New Accounting Standards for Application in Future Periods (continued)**

Subject to AASB 1049, general government sectors of the Australian Government and state and territory governments would also apply Tier 1 reporting requirements

The following entities can elect to apply Tier 2 of the framework when preparing general purpose financial statements:

- for-profit private sector entities that do not have public accountability;
- not-for-profit private sector entities; and
- public sector entities, whether for-profit or not-for-profit, other than the Australian Government and state territory and local governments.

AASB 2010-2: makes amendments to Australian Accounting Standards and Interpretations to give effect to the reduced disclosure requirements for Tier 2 entities. It achieves this by specifying the disclosure paragraphs that a Tier 2 entity need not comply with as well as adding specific "RDR" disclosures.

AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011)

This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purpose of certain operating segment disclosures. The amendments are not expected to impact the Union.

AASB 2009-14: Amendments to Australian Interpretation-Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan. This Standard is not expected to impact the Union.

**Notes to the Financial Statements**  
**For the year ended 30 September 2011**

**Note 1: Statement of Significant Accounting Policies (Continued)**

AASB 2010-4: Further amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard details numerous non-urgent but necessary changes to Accounting Standards arising from the IASBs annual improvements project. Key changes include:

- clarifying the application of AASB 108 prior to an entity's first Australian Accounting Standards financial statements;
- adding an explicit statement to AASB 7 that qualitative disclosures should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments;

amending AASB 101 to the effect that disaggregation of changes in each component of equity arising from transactions recognized in other comprehensive income is required to be presented, but is permitted to be presented in the statement of changes in equity or in the notes;

- adding a number of examples to the list of events or transactions that require disclosure under AASB 134; and
- making sundry editorial amendments to various Standards and Interpretations

This Standard is not expected to impact the Union.

AASB 2010-5: Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1402] (applicable for annual reporting periods beginning on or after 1 January 2011).

This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. However, these editorial amendments have no major impact on the requirements of the respective amended pronouncements.

AASB 2010-6: Amendments to Australian Accounting Standards – Disclosure of Transfers of Financial Assets [AASB 1 & AASB 7] (applicable for annual reporting periods beginning on or after 1 July 2011).

This Standard adds and amends disclosure requirements about transfers of financial assets, especially those in respect of the nature of the financial assets involved and the risks associated with them. Accordingly, this Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards and AASB 7: Financial Instruments: Disclosures, establishing additional disclosure requirements in relation to transfers of financial assets.

This Standard is not expected to impact the Union.

AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (applies to periods beginning on or after 1 January 2013).

This Standard makes amendments to a range of Australian Accounting Standards and Interpretations as a consequence of the issuance of AASB 9: Financial Instruments in December 2010. Accordingly, these amendments will only apply when the entity adopts AASB 9.

As noted above, the Union has not yet determined any potential impact on the financial statements from adopting AASB 9.

**Breweries And Bottleyards Employees' Industrial Union Of Workers Of WA**  
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**Notes to the Financial Statements**  
**For the year ended 30 September 2011**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>Note 2 - Revenue</b>		
Subscriptions	46,639	45,525
Interest Revenue	183,820	144,853
Investment Revenue	500,666	495,688
Rental Income	2,184	2,184
Other Revenue	29,859	15,417
<b>Total</b>	<u>763,168</u>	<u>703,667</u>

**Note 3 - Profit Before Income Tax**

Expenses

- Audit & Accountancy	23,750	22,680
- Depreciation	13,467	18,125
- Other ordinary activities	112,565	128,402
<b>Total</b>	<u>149,782</u>	<u>169,207</u>

**(a) Employee Benefits Expense**

**Office Holders**

Salary and Wages	190,009	252,335
Annual Leave	14,113	8,422
Long Service Leave	3,095	2,235
Superannuation	92,582	68,943
<b>Total Office Holders</b>	<u>299,799</u>	<u>331,935</u>

**Non - Office Holders**

Salary and Wages	95,649	84,207
Annual Leave	4,170	2,489
Long Service Leave	4,682	3,382
Superannuation	8,634	2,140
<b>Total Non Office Holders</b>	<u>113,135</u>	<u>92,218</u>

**Note 4 – Cash and Cash Equivalent**

Cash at Bank	404,784	645,405
Term Deposits	2,774,107	2,285,804
<b>Total</b>	<u>3,178,891</u>	<u>2,931,209</u>

**Note 5 - Receivables**

**Current**

Trade debtors	38,265	75,147
Prepayments	6,084	6,450
<b>Total</b>	<u>44,349</u>	<u>81,597</u>

**Non-Current**

Amounts receivable from		
- Related parties	3,115,005	2,928,486
<b>Total</b>	<u>3,115,005</u>	<u>2,928,486</u>

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**Notes to the Financial Statements**  
**For the year ended 30 September 2011**

**Note 6 – Financial Asset**

	2011	2010
	\$	\$
Shares in other companies - at cost		
- Listed on a prescribed stock exchange	770,982	824,536
- Unlisted	6	6
	<u>770,988</u>	<u>824,542</u>
Options in other companies - at cost		
- Unlisted	800,327	884,340
	<u>800,327</u>	<u>884,340</u>
Shares in related parties - at cost		
- Shares in unlisted associated companies	2	2
	<u>2</u>	<u>2</u>
<b>Total</b>	<u><u>1,571,317</u></u>	<u><u>1,708,884</u></u>

**Note 7 - Property, Plant And Equipment And Motor Vehicles**

Buildings:		
At cost	122,353	122,353
Plant and Equipment		
At cost	48,209	48,209
Accumulated Depreciation	(41,975)	(40,314)
Total Plant and Equipment	<u>6,234</u>	<u>7,895</u>
Motor Vehicles		
At cost	76,534	76,534
Accumulated Depreciation	(41,115)	(29,309)
Total Motor Vehicles	<u>35,419</u>	<u>47,225</u>
<b>Total Property, plant and Equipment and motor vehicles</b>	<u><u>164,006</u></u>	<u><u>177,473</u></u>

**(a) Movements In Carrying Amounts**

Movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Buildings	Plant and Equipment	Motor Vehicles	Total
Balance at beginning of year	122,353	7,895	47,225	177,473
Additions	0	0	0	
Disposals	0	0	0	
Depreciation Expense	0	(1,661)	(11,806)	(13,467)
Carrying Amount at end of Year	<u>122,353</u>	<u>6,234</u>	<u>35,419</u>	<u>164,006</u>

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**Notes to the Financial Statements**  
**For the year ended 30 September 2011**

<b>Note 8 – Payables</b>	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Unsecured:		
- Other creditors	114,622	96,939
<b>Total</b>	<b>114,622</b>	<b>96,939</b>

<b>Note 9 - Current Tax Liabilities</b>		
GST payable control account	1,502	971
Input tax credit control account	(1,101)	(1,274)
Amounts withheld from salary and wages	2,574	3,438
<b>Total</b>	<b>2,975</b>	<b>3,135</b>

**Note 10 - Provisions**

**Current**

Provision for Sick Leave - Office Holders	15,362	
Provision for Sick Leave - Non - Office Holders	4,805	
<b>Total</b>	<b>20,167</b>	

**Non- Current**

Provision for Long Service Leave - Office Holders	56,489	46,626
Provision for Long Service Leave - Non - Office Holders	12,441	14,527
<b>Total</b>	<b>68,930</b>	<b>61,153</b>

A provision has been recognized for employee benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits has been included in Note 1 (e)

**Note 11 – Cash Flows Information**

**(a) Reconciliation of cash and cash equivalents**

For the purposes of the statement of cash flows, cash equivalents includes cash on hand, at banks and on deposit or any other cash held that can be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash at Bank	404,784	645,405
Term Deposits	2,774,107	2,285,804
<b>Total</b>	<b>3,178,891</b>	<b>2,931,209</b>

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**Notes to the Financial Statements**  
**For the year ended 30 September 2011**

<b>(b) Reconciliation of Net Cash Provided by Operating Activities to Net Profit after Income Tax</b>	<b>2011</b> \$	<b>2010</b> \$
Operating profit (loss) after tax	200,452	110,307
Depreciation	13,467	18,125
(Profit) / Loss on sale of property, plant and equipment	(11,820)	(3,240)
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	36,882	(49,372)
(Increase) decrease in prepayments	366	(1,446)
Increase (decrease) in other creditors	17,683	29,179
Increase (decrease) in employee entitlements	27,945	(11,049)
Increase (decrease) in sundry provisions	(161)	4,171
<b>Net cash provided by operating activities</b>	<b>284,814</b>	<b>96,675</b>

**Note 12 – Contingent Liabilities**

The Committee of Management is not aware of any contingent liabilities that are likely to have a material effect on the result of the Union

**Note 13 – Related Party Transactions**

Transactions between related parties are on normal commercial terms and conditions no more favorable than those available to other parties unless otherwise stated.

Transactions with related parties:

**Loan**

Amounts receivable from Dudley Trust - Related party	3,115,005	2,928,486
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**Agreement**

The Union has an agreement with Dudley Trust that should the requirement arise, the Union will assist with the costs of the Dudley Trust's employee accruals, maintenance and improvement of asset base and research and development, limited to the amount of the distribution of income to the Union combined with existing loan funds.

The Union has also agreed to assist Dudley Trust with costs of redundancies should their current labour Contract be cancelled. The liability for redundancy and other payouts is estimated to be \$637,189.98 and \$1,395,368 as at 30 June 2011 and 30 June 2010, respectively. Accordingly the repayment of the balance of the loan with Dudley Trust is not assured. A provision for non-recovery has not been made in these accounts as no present obligation existed in relation to employee redundancy.



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**Notes to the Financial Statements**  
**For the year ended 30 September 2011**

**Note 14 – Key Management Personnel Compensation**

Key Management personnel comprise those individuals who have the authority and responsibility for planning, directing and controlling the activities of the Union. During the year, the key management personnel of the Council were remunerated as follows:

	<b>Short Term Benefits \$</b>	<b>Post- Employment Benefits \$</b>	<b>Total \$</b>
<b>2011</b>			
Total compensation	299,799	0	299,799
<b>2010</b>			
Total compensation	331,935	0	331,935

**Note 15 – Auditors' Remuneration**

	<b>2011 \$</b>	<b>2010 \$</b>
Remuneration of the auditor of the Union for:		
(a) auditing or reviewing the financial statements	4,800	4,600
(b) other services	0	0

**Note 16 – Events After The Reporting Date**

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

**Note 17 – Operating Segments**

The Union operates solely in one operating segment being the provision of trade union services. The Union operates from W Australia only.

**Note 18 – Financial Risk Management**

The Union's financial instruments consist mainly of deposits with banks, local money market instruments, short term investments, accounts receivable and accounts payable.

The totals for each category of financial instruments, measured in accordance with AASB139 as detailed in the accounting policies to these financial statements are as follows:

**Breweries And Bottleyards Employees' Industrial Union Of Workers Of WA**  
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**Notes to the Financial Statements**  
**For the year ended 30 September 2011**

	Note	2011 \$	2010 \$
<b>Financial assets</b>			
Cash & cash equivalents	4	3,178,891	2,931,209
Trade and other receivables	5	44,349	81,597
Financial assets	6	1,571,317	1,708,884
Total		<u>4,794,557</u>	<u>4,721,690</u>
<b>Financial liabilities</b>			
Trade and other payables	8	114,622	96,939
Tax Liabilities	9	2975	3135
Total		<u>117,597</u>	<u>100,074</u>

**(a) Financial Risk Management Policies**

The Committee of Management monitors the Union's financial risk management policies and exposures and approves financial transactions entered into. It also reviews the effectiveness of internal controls relating to commodity price risk, counterparty credit risk, currency risk, financing risk and interest rate risk. The Committee of Management meets regularly to review the financial exposure of the Union.

The Union's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and accounts payable.

The main purpose of non-derivative financial instruments is to raise finance for the Union's operations. The Union does not have any derivative instruments at 30 September 2011.

(i) Financial Risk exposures and management

The main risk is the Union is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

*Interest rate risk*

Interest rate risk is managed through utilizing floating interest bearing instruments, with reputable banking institutions. The Union had no debt as at 30 September 2011.

*Foreign currency risk*

The Union is not exposed to fluctuations in foreign currencies.

*Liquidity risk*

The Union manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilized borrowing facilities are maintained.

*Credit risk*

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognized financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

There are no material amounts of collateral held as security at 30 September 2011.

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**Notes to the Financial Statements**  
**For the year ended 30 September 2011**

Credit risk is managed and reviewed regularly by the Committee of Management. It arises from exposures to members as well as through certain derivatives financial instruments and deposits with financial institutions.

The Committee of Management monitors credit risk by actively assessing the rating quality and liquidity of counter parties, only banks and financial institutions with a strong rating are utilized.

The Union does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Union.

*Price risk*

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

**(b) Financial Instrument Composition and Maturity Analysis**

			<b>Fixed Interest Rate Maturing</b>							
	<b>Floating Interest Rate</b>		<b>Within 1 year</b>		<b>1 to 5 years</b>		<b>Non-interest Bearing</b>		<b>Total</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
<b>Financial Assets</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash & Cash equivalents	3,178,891	2,931,209							3,178,891	2,931,209
Trade and other receivables							44,349	81,597	44,349	81,597
<b>Total Financial Assets</b>	<b>3,178,891</b>	<b>2,931,209</b>					<b>44,349</b>	<b>81,597</b>	<b>3,223,240</b>	<b>3,012,806</b>
<b>Financial Liabilities</b>										
Trade & other Payables							114,622	96,939	114,622	96,939
Tax Liabilities							2,975	3,135	2,975	3,135
<b>Total Financial Liabilities</b>							<b>117,597</b>	<b>100,074</b>	<b>117,597</b>	<b>100,074</b>
	<b>2011</b>	<b>2010</b>								
	<b>\$</b>	<b>\$</b>								
Trade and Other Payables are expected to be paid as follows:										
<b>Less than 6 months</b>	<b>117,597</b>	<b>100,074</b>								
	<b>117,597</b>	<b>100,074</b>								

**Breweries And Bottleyards Employees' Industrial Union Of Workers Of WA**  
**ABN 73 507 364 966**

**Notes to the Financial Statements**  
**For the year ended 30 September 2011**

**(c) Net Fair Values**

The Union's financial assets and liabilities included in the statement of financial position are carried at amounts that approximate net fair value. There are no material variations between fair value and carrying value in the Union's financial instruments.

**(d) Sensitivity Analysis**

*Market risk*

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

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

	Note	Weighted Average Effective Interest Rate		2011 \$	2010 \$
		2011 %	2010 %		
<b>Floating rate instruments</b>					
Cash and cash equivalents		6.01	6.11	3,178,891	2,931,209

**(e) Sensitivity Analysis**

*Interest Rate Risk*

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

*Interest Rate Sensitivity Analysis:*

At 30 September 2011, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

		2011	2010		
		\$	\$		
<b>Change in profit</b>					
Increase in interest rate by 1%		31,788	29,312		
Decrease in interest rate by 1%		(31,788)	(29,312)		
<b>Change in Members Equity</b>					
Increase in interest rate by 1%		31,788	29,312		
Decrease in interest rate by 1%		(31,788)	(29,312)		

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remained unchanged.

No sensitivity analysis has been performed on foreign exchange risk, as the Union is not exposed to foreign currency fluctuations.

**Breweries And Bottleyards Employees' Industrial Union Of Workers Of WA**  
**ABN 73 507 364 966**

**Notes to the Financial Statements**  
**For the year ended 30 September 2011**

**Note 19 – Union Details**

The principal of business of the Union is:

Canning Vale Commerce Centre  
Unit 11/ 64 Bannister Road  
Canning Vale WA 6155

**Note 20 – Notice Required Under The Fair Work (Registered Organisation) Act 2009**

In accordance with the requirements of the Fair Work (*Registered Organizations*) Act 2009, the attention of members is drawn to the following provision of subsections (1), (2) and (3) of Section 272, which reads as follows:

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

## **INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF BREWERIES AND BOTTLEYARDS EMPLOYEES' INDUSTRIAL UNION OF WORKERS OF WESTERN AUSTRALIA**

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the Breweries and Bottleyards Employees' Industrial Union of Workers of Western Australia ("the Union"), which comprises the statement of financial position as at 30 September 2011 and the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Committee of Management's operating report and statement.

### **Committee's Responsibility for the Financial Statements**

The Committee of Management is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009 ("Act"). This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In Note 1, the Committee Members also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial statements, comprising the financial statements and notes, comply with IFRS.

### **Auditor's Responsibility**

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

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

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

**Independence**

In conducting my audit, I have complied with the independence requirements of the Australian professional ethical pronouncements. I confirm that the independence declaration provided to the Committee of Management would be in the same terms if provided to the Committee of Management as at the date of this auditors report.

**Auditor's Opinion**

In my opinion;

- (1) the financial statements of the Breweries and Bottleyards Employees' Industrial Union of Workers of Western Australia is in accordance with
  - (a) the fair Work (Registered Organisations) Act 2009, including:
    - (i) giving a true and fair view of the Union's financial position as at 30 September 2011 and of its performance for the year ended on that date; and
    - (ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations); and
  - (b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.
- (2) the Union has kept satisfactory accounting records for the financial year including records of:
  - (i) the sources and nature of the Union's income, including membership subscriptions and other income from members; and
  - (ii) the nature of and reasons for the Union's expenditure.
- (3) All the information and explanations that officers and employees of the Union were required to provide have been provided; and
- (4) There was no deficiency, failure or shortcoming in any matters referred to in (1) to (3) above.

Dated the 23 day of November 2011



**SIM KWONG LIM**  
Registered Company Auditor  
Registration Number: 14053