



FAIR WORK  
COMMISSION

1 September 2015

Mr Luke Messer  
General Manager, Finance and Operations  
NSW Farmers' (Industrial) Association

Sent by email: [messerl@nswfarmers.org.au](mailto:messerl@nswfarmers.org.au)

Dear Mr Messer,

**Lodgement of Financial Statements and Accounts – NSW Farmers' (Industrial) Association - for year ended 31 December 2014 [FR2014/433]**

I refer to the above financial statements and accounts which were lodged with the Fair Work Commission on 21 July 2014. Further information in respect of employment benefits-related disclosures was received in amended financial statements on 31 August 2015.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged for 2014. 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) were satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements. However in the course of assessment several issues were identified as requiring clarification and I make the following comments to assist when next preparing a financial report.

Please note that the financial report for the year ending 31 December 2015 may be subject to an advanced compliance review.

General Purpose Financial Report

Activities under Reporting Guidelines not disclosed

Item(s) 13, 15, 17, 19, 21, 23 and 25 of the Reporting Guidelines state that if any activities<sup>1</sup> identified in item(s) 10, 11, 12, 14, 16, 18, 20, 22, or 24 respectively have not occurred in the reporting period, a statement to this effect<sup>2</sup> must be included in the notes to the GPFR. I note that for the following activities no such statement was included:

---

<sup>1</sup> Some activities would not be normally expected of, or applicable to, an employer association consisting only of a single reporting unit ['r/u'] because they are activities of the kind normally occurring for an employee organisation or an organisation of employers or employees comprised of several branches/reporting units. These could include (i) support received by another r/u to enable the association to continue as going concern [RG10]; (ii) support provided to another r/u to enable that other r/u to continue as a going concern [RG11]; (iii) income from capitation from another r/u [RG14(b)]; (iv) income in other kinds of financial support from another r/u; (v) expense paid to employers for membership subscription deductions from payroll [RG16(a)]; (vi) expense paid to another r/u as capitation; (vii) liability owed to employers for membership subscriptions deductions from payroll [RG20(a)]; (v) receivables from, and payables to, other r/u's [RG18(a)]; (vi) cash flows to and from other r/u's [RG24]. If the Reporting Guidelines are read literally, however, a statement of non-occurrence or non-applicability appears required.

<sup>2</sup> Or itemised nil balances as per the Model Financial statements at <https://www.fwc.gov.au/registered-organisations/compliance-governance/financial-reporting>

- RG12 – acquisition of assets or liabilities as result of an amalgamation, restructure, certificate under s245 or revocation of same under s249
- RG14(d) - revenue from grants and/or donations
- RG16(c) – affiliation fees (expense) to external entity
- RG16(d) – compulsory levies (expense)
- RG16(e)(i)-(iv) - grants and donations (expenses) by amount category
- RG16(h) – allowances paid for attendance at meetings
- RG16(i) – costs in respect of the holding of meetings
- RG16(j) – legal and litigation costs
- RG16(k) – costs in respect of penalties or fines under the RO Act
- RG20(b) – liabilities in respect of legal matters or litigation

#### Committee of Management statement - declaration

Item 35(f) of the Reporting Guidelines states that where the reporting unit has not derived revenue from undertaking recovery of wages activity, a declaration ‘*no revenue has been derived from undertaking recovery of wages activity during the reporting period*’ should be included.<sup>3</sup>

#### Operating Report – forms of disclosure

##### Results and changes to nature of principal activities

The requirement of subsection 254(2)(a) of the RO Act that an Operating report contain a review of the results of its principal activities does not refer normally to its financial performance but to any non-financial-related results. The requirement to contain a review of any significant change to the nature of such activities is in addition to the requirement of subsection 254(2)(b) to indicate whether there have been any significant changes in the reporting unit’s *financial affairs*.<sup>4</sup>

##### Trustee of superannuation entity

The Operating report stated that “*the Association does not act as superannuation trustees*”. It is not the trusteeship by the Association as a whole that is the object of disclosure, but of any of its “officers or members”, and then only when the criterion for their holding such a position is “that they are an officer or member of the organisation”.<sup>5</sup>

If there are no details to be provided, wording that reflects sub-section 254(2)(d) is preferred e.g. ‘*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*’.<sup>6</sup>

##### Prescribed information

Subsection 254(2)(f) requires the disclosure of information prescribed by the regulations. Regulation 159(c) of the RO Regulations requires the Operating Report to disclose the period each listed officer served on the Committee of Management during the reporting period. If the officers served for the full year, a statement to this effect should be included.

Regulation 159(b) requires the disclosure of the number of employees, where it includes both full-time and part-time employees, as measured on a full-time equivalent basis. For the avoidance of doubt, the number of employees should in any case be expressed as measured on a full time-equivalent basis.

<sup>3</sup> The reporting guideline applied strictly, i.e. notwithstanding that it would not be normally expected that an organisation of employers would have engaged in such activity [see note 1].

<sup>4</sup> The discussion of financial performance appears to have addressed sub-section 254(2)(b) rather than, directly, at least, sub-section 254(2)(a).

<sup>5</sup> See the wording of sub-section 254(2)(d): officers or members who were trustees or directors of superannuation entities/schemes in a private capacity, i.e. unrelated to their position or membership in the registered organisation, would not be covered by this section.

<sup>6</sup> i.e. at least, presumably, as far as can be known or declared, to the best of the reporting unit’s knowledge. The RAO Schedule and Explanatory Memoranda introducing this subsection in 2003 did not clarify this.

## Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (02) 6746 3283 or by email at [stephen.kellett@fwc.gov.au](mailto:stephen.kellett@fwc.gov.au).

Yours sincerely,

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Stephen Kellett  
Senior Adviser  
Regulatory Compliance Branch

cc. Ms Gaile Pearce, Deloitte Touche Tohmatsu

**From:** KELLETT, Stephen  
**Sent:** Tuesday, 1 September 2015 5:31 PM  
**To:** Luke Messer (messerl@nswfarmers.org.au)  
**Cc:** 'gpearce@deloitte.com.au'  
**Subject:** NSW Farmers' (Industrial) Assoc - financial reporting - y/e 31 Dec 2015 - filing

Dear Mr Messer,

Please see attached my letter in relation to the above. A copy of the current Reporting Guidelines (4<sup>th</sup> edition) that will apply to the year ended 31 December 2015, and of the Model Financial statements 2014-2015, is also attached for your convenient reference.



NFIA FR2014 433  
(primary final).pdf



s253-Reporting-Guid  
elines-4th-edition.pdf



Model Financial  
statements 2014-2015

Yours sincerely

STEPHEN KELLETT  
Regulatory Compliance Branch  
**FAIR WORK COMMISSION**

80 William Street  
EAST SYDNEY NSW 2011

(ph) (02) 6746 3283  
(email) [stephen.kellett@fwc.gov.au](mailto:stephen.kellett@fwc.gov.au)

**From:** Luke Messer [mailto:messerl@nswfarmers.org.au]  
**Sent:** Tuesday, 1 September 2015 9:01 AM  
**To:** KELLETT, Stephen  
**Subject:** RE: Financial reporting - y/e 31 Dec 2014 - correspondence NSW Farmers (Industrial) Association

Hi Stephen

Updated certificate as requested



regards

**Luke Messer** | NSW Farmers | General Manager - Finance & Operations

T: 02 9478 1040 M: 0414 956 840 | [messerl@nswfarmers.org.au](mailto:messerl@nswfarmers.org.au) | [www.nswfarmers.org.au](http://www.nswfarmers.org.au)



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**NSW FARMERS' (INDUSTRIAL) ASSOCIATION  
CERTIFICATE OF SECRETARY OR OTHER AUTHORISED OFFICER  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

In accordance with s268 of the *Fair Work (Registered Organisations) Act 2009* ("the FW(RO) Act"), I, David Clarke, Treasurer of the NSW Farmers' (Industrial) Association certify:

- That the documents lodged herewith are copies of the full report, referred to in s268 of the FW(RO) Act;
- That the full report was available for Members from 25<sup>th</sup> June 2015 upon request at no charge to the Member or from the internet;
- That the full report was sent to all Members on or before 16<sup>th</sup> July 2015;
- That the full report was presented to a general meeting of Members of the reporting unit on the 16<sup>th</sup> July 2015 in accordance with section 266 of the FW(RO) Act.

For the Executive Committee:

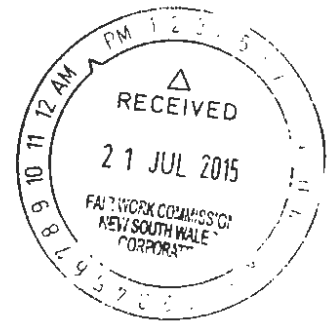
Dated this 17<sup>th</sup> day of August 2015

A handwritten signature in black ink, appearing to read 'D Clarke', written in a cursive style.

D Clarke  
Treasurer



Industrial  
Association



20 July 2015

The General Manager  
Fair Work Australia  
Level 8, Terrace Towers  
80 William Street  
SYDNEY  
NSW 2011

Dear Sir/Madam,

**Re: Lodgment of Financial Statements and Accounts – NSW Farmers' (Industrial) Association**

Please find enclosed the financial statements for NSW Farmers' (Industrial) Association for the year ended 31<sup>st</sup> December 2014.

Please note that approval for an extension of time to hold the general meeting of members to 31<sup>st</sup> July 2015 was granted in your letter dated 16<sup>th</sup> February 2015. This general meeting was held on Thursday 16<sup>th</sup> July 2015.

If you have any queries, please do not hesitate to contact me on the below number

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Luke Messer'.

Luke Messer  
General Manager Finance

**NSW Farmers' Association**

ABN 31 000 004 651 PO Box 459 St Leonards NSW 1590 Level 6 35 Chandos Street St Leonards NSW 2065  
Member Service Centre 1300 794 000 T02 9478 1000 F02 8282 4500 [www.nswfarmers.org.au](http://www.nswfarmers.org.au)



# Industrial Association

20 July 2015

The General Manager  
Fair Work Australia  
Level 8, Terrace Towers  
80 William Street  
SYDNEY  
NSW 2011

Dear Sir/Madam,

**Re: Lodgment of Financial Statements and Accounts – NSW Farmers' (Industrial) Association**

Members of the Committee of Management held office for the periods stated below

<b>Director</b>	<b>Date appointed</b>	<b>Date Resigned</b>
RJ Chamen	30/07/09	
PR Darley	30/07/09	
AF Simson	23/07/10	
D Clarke	21/07/11	
W Dunford	21/07/11	
M Horan	21/07/11	
H Dalton	19/07/12	
P Wilson	19/10/12	
D Schoen	19/07/13	
M Brand	25/10/10	

If you have any queries, please do not hesitate to contact me on the below number

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Luke Messer'.

Luke Messer  
General Manager Finance

**NSW Farmers' Association**

ABN 31 000 004 651 PO Box 459 St Leonards NSW 1590 Level 6 35 Chandos Street St Leonards NSW 2065  
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**NSW FARMERS' (INDUSTRIAL) ASSOCIATION**

**FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

<b>INDEX</b>	<b>Page</b>
Statement of Operations	1
Certificate of Secretary or Other Authorised Officer	3
Committee of Management Statement	4
Independent Auditor's Report	5
Statement of Profit or Loss and Other Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11
Statement by Members of the Committee	32

**NSW FARMERS' (INDUSTRIAL) ASSOCIATION  
STATEMENT OF OPERATIONS  
DISCUSSION AND ANALYSIS OF FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**Principal activities**

The principal activities of NSW Farmers' (Industrial) Association ("the Association") are the provision of Industrial Relations Services, management of investment funds and investment property and receipting of Membership subscription funds.

**Review of operations**

The net profit for the year was:

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
NSW Farmers' (Industrial) Association	2,903,439	3,057,347

A number of factors have affected the financial performance of the Association.

The income from dividends and trust distributions was \$283,276 (2013: \$733,052). The fair value gain on financial assets was \$954,335 (2013: gain of \$2,071,395) which was reflective of movement in local and international equity and bond markets.

The returns of the Investment Managers were generally in line with the benchmarks relating to their portfolio allocations. The management of the investment portfolio is continually reviewed by the Board.

A significant difference in operating expenditure was the decrease in management fees to \$475,944 (2013: \$1,303,495) paid by the Association to NSW Farmers' Association. The method of calculation ensures that the proportion of net assets is maintained between the two associations.

The Association has developed and leased all available floors at the 35 Chandos St, St Leonard's property. The result of the financial year has been significantly impacted by a fair value gain relating to this investment property of \$1,045,296 (2013: \$1,047,298).

The valuation basis of investment properties is fair value being the amounts for which the assets could be exchanged between willing parties in an arm's length transaction as at valuation date. Fair value is determined by direct reference to recent market transactions on arm's length terms for land and buildings comparable in size and location to those held by the Association, and to market based yields for comparable properties. This policy will result in more reliable and more relevant information on the market value of the Association's investment properties.

**NSW FARMERS' (INDUSTRIAL) ASSOCIATION  
STATEMENT OF OPERATIONS  
DISCUSSION AND ANALYSIS OF FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2014**

Additional information:

- a) Number of Members at 31 December 2014 – 4,532 (2013: 5,033);
- b) Number of employees at 31 December 2014 - 3 (2013: 3);
- c) Members can resign in accordance with Clause 13 of the Rules of the Association;
- d) The Association does not act as superannuation trustees; and
- e) The following are Members of the Committee: A Simson, P Darley, R Chamen, M Horan, D Clarke, W Dunford, H Dalton, D Schoen, P Wilson and M Brand.

**Dated at Sydney this 14<sup>th</sup> day of May 2015.**

On behalf of the Executive Committee



AF Simson  
President



D Clarke  
Treasurer

**NSW FARMERS' (INDUSTRIAL) ASSOCIATION  
CERTIFICATE OF SECRETARY OR OTHER AUTHORISED OFFICER  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

In accordance with s268 of the *Fair Work (Registered Organisations) Act 2009* ("the FW(RO) Act"), I, David Clarke, Treasurer of the NSW Farmers' (Industrial) Association certify:

- That the documents lodged herewith are copies of the full report, referred to in s268 of the FW(RO) Act;
- That the full report will be available for Members from 16<sup>th</sup> July 2015 upon request at no charge to the Member or from the internet;
- That the full report will be sent to all Members on or before 16<sup>th</sup> July 2015;
- That the full report will be presented to a general meeting of Members of the reporting unit on the 16<sup>th</sup> July 2015 in accordance with section 266 of the FW(RO) Act.

For the Executive Committee:

Dated this 14<sup>th</sup> day of May 2015



D Clarke  
Treasurer

**NSW FARMERS' (INDUSTRIAL) ASSOCIATION  
COMMITTEE OF MANAGEMENT STATEMENT  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

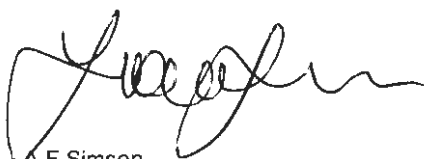
On 14<sup>th</sup> May 2015, the Executive Committee of the NSW Farmers' (Industrial) Association ("reporting unit") passed the following resolution in relation to the general purpose financial report ("GPFR") of the reporting unit for the financial year ended 31 December 2014.

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

- (a) The financial statements and notes comply with Australian Accounting Standards and Interpretations;
- (b) The financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (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 their debts as and when they become due and payable;
- (e) During the financial year to which the GPFR relates and since the end of that year:
  - i. Meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - ii. The financial affairs of the reporting unit have been managed in accordance with the 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 *Fair Work (Registered Organisations) Act 2009* ("the FW(RO) Act") and the *Fair Work (Registered Organisations) Regulations 2009* ("the FW(RO) Regulations"); and
  - iv. No information has been sought in any request of a member of the reporting unit or a registrar duly made under section 272 of the FW(RO) Act during the period; and
  - v. No orders have been made for inspection of financial records made by the Commission under section 273 of the FW(RO) Act.
  - vi. That the Committee of Management Statement be signed by the President and Treasurer.

**Dated at Sydney this 14<sup>th</sup> day of May 2015.**

On behalf of the Executive Committee



A F Simson  
President



D Clarke  
Treasurer

## **Independent Auditor's Report to the members of NSW Farmers' (Industrial) Association**

We have audited the accompanying financial report of NSW Farmers' (Industrial) Association ("the Association"), which comprises the statement of financial position as at 31 December 2014, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and statement by members of the Committee as set out on pages 7 to 32.

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

The Committee of the Association is responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards and the financial reporting requirements under Section 253 of the Fair Work (Registered Organisations) Act 2009 ("the Act") and the requirements imposed by Part 3 of Chapter 8 of the Act, and for such internal control as the Committee determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the Committee also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

### *Auditor's Responsibility*

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

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

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

# Deloitte.

## *Opinion*

In our opinion:

- (a) the financial report of NSW Farmers' (Industrial) Association presents fairly, in all material respects, the association's financial position as at 31 December 2014 and its financial performance for the year then ended in accordance with Australian Accounting Standards and the financial reporting requirements under Section 253 of the Fair Work (Registered Organisations) Act 2009 ("the Act") and the requirements imposed by Part 3 of Chapter 8 of the Act; and
- (b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 2.

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU

*Gaile Pearce*

Gaile Pearce  
Partner  
Chartered Accountants  
Sydney, 14 May 2015

**NSW FARMERS' (INDUSTRIAL) ASSOCIATION**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 \$	2013 \$
Revenue	4	2,193,200	2,075,052
Market movement in investments at fair value through profit and loss		954,335	2,071,395
Recharged employee benefits expense		(269,877)	(272,194)
Promotional expenses		(20,200)	(28,333)
Management fee – NSW Farmers' Association		(475,944)	(1,303,495)
Depreciation and amortisation		(33,126)	(15,030)
Gain on movement in fair value of investment property		1,045,296	1,047,298
Investment expenses		(100,083)	(174,038)
Office and general expenses		(412,097)	(343,308)
<b>Profit for the year</b>	5	2,881,504	3,057,347
<b>Other comprehensive income:</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Revaluation of available-for-sale investment through investment revaluation reserve		21,935	13,293
<b>Total comprehensive income for the year</b>		2,903,439	3,070,640

Notes to the Financial Statements are included on pages 11 to 31



**NSW FARMERS' (INDUSTRIAL) ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2014**

	Note	2014 \$	2013 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	15(a)	3,848,527	4,190,249
Trade and other receivables	6	6,099,920	4,415,803
Other assets	7	33,019	57,892
<b>TOTAL CURRENT ASSETS</b>		<b>9,981,466</b>	<b>8,663,944</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets	8	18,201,220	18,503,861
Property, plant and equipment	9	53,127	86,253
Investment property	10	11,187,126	9,887,126
Other assets	7	-	93,252
<b>TOTAL NON-CURRENT ASSETS</b>		<b>29,441,473</b>	<b>28,570,492</b>
<b>TOTAL ASSETS</b>		<b>39,422,939</b>	<b>37,234,436</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	81,439	76,264
Other liabilities	12	173,165	649,652
Borrowings	13	1,014,620	1,258,244
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,269,224</b>	<b>1,984,160</b>
<b>TOTAL LIABILITIES</b>		<b>1,269,224</b>	<b>1,984,160</b>
<b>NET ASSETS</b>		<b>38,153,715</b>	<b>35,250,276</b>
<b>MEMBERS' FUNDS</b>			
Retained earnings		37,614,844	34,733,340
Reserves		538,871	516,936
<b>TOTAL MEMBERS' FUNDS</b>		<b>38,153,715</b>	<b>35,250,276</b>

Notes to the Financial Statements are included on pages 11 to 31

**NSW FARMERS' (INDUSTRIAL) ASSOCIATION  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Retained earnings \$	Investment revaluation reserve \$	Total \$
Balance at 1 January 2013	31,675,993	503,643	32,179,636
Profit for the year	3,057,347	-	3,057,347
Other comprehensive income	-	13,293	13,293
<b>Total comprehensive loss for the year</b>	<b>3,057,347</b>	<b>13,293</b>	<b>3,070,640</b>
<b>Balance at 31 December 2013</b>	<b>34,733,340</b>	<b>516,936</b>	<b>35,250,276</b>
Balance at 1 January 2014	34,733,340	516,936	35,250,276
Profit for the year	2,881,504	-	2,881,504
Other comprehensive income	-	21,935	21,935
<b>Total comprehensive profit for the year</b>	<b>2,881,504</b>	<b>21,935</b>	<b>2,903,439</b>
<b>Balance at 31 December 2014</b>	<b>37,614,844</b>	<b>538,871</b>	<b>38,153,715</b>

Notes to the Financial Statements are included on pages 11 to 31

**NSW FARMERS' (INDUSTRIAL) ASSOCIATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 \$	2013 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Inflows:			
Member subscriptions		346,797	684,050
Rental income		746,821	333,666
Interest income		3,692	12,008
Other income		<u>48,272</u>	<u>374,578</u>
		1,145,582	1,404,302
Outflows:			
Suppliers and employees		<u>(962,790)</u>	<u>(1,544,208)</u>
<b>NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES</b>	15(b)	<u>182,792</u>	<u>(139,906)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payment for investment property		(65,417)	-
Dividend and trust distributions		636,092	733,052
Net withdrawals from investment portfolio		<u>1,035,287</u>	<u>1,274,729</u>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>		<u>1,605,962</u>	<u>2,007,781</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Net loan to a related party		<u>(2,130,476)</u>	<u>(1,039,251)</u>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<u>(2,130,476)</u>	<u>(1,039,251)</u>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS HELD</b>		(341,722)	828,624
Cash and cash equivalents at the beginning of the year		<u>4,190,249</u>	<u>3,361,625</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	15(a)	<u><u>3,848,527</u></u>	<u><u>4,190,249</u></u>

Notes to the Financial Statements are included on pages 11 to 31

**NSW FARMERS' (INDUSTRIAL) ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**1. General information**

NSW Farmers' (Industrial) Association ("the Association") is an association registered under the Commonwealth of Australia's *Fair Work (Registered Organisations) Act 2009* ("the FW(RO) Act").

The Association's principal place of business and registered office is as follows:

NSW Farmers' (Industrial) Association

Level 6

35-37 Chandos Street

St Leonard's NSW 2065

The Association's principal activity is provision of services to Members and representing their interest.

**2. Significant accounting policies**

**Statement of compliance**

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards and Interpretations and the requirements under Section 253 of the FW (RO) Act.

The financial statements cover NSW Farmers' (Industrial) Association as an individual entity. For the purposes of preparing the financial statements, the Association is a not-for-profit entity.

Accounting Standards include Australian equivalents to International Financial Reporting Standards ("A-IFRS"). Compliance with A-IFRS ensures that the financial statements and notes of the Association comply with International Financial Reporting Standards ("IFRS").

The financial statements were authorised for issue by the Executive Committee on 14<sup>th</sup> May 2015.

**Basis of preparation**

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain assets and financial instruments. Historical cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

**Adoption of new and revised Accounting Standards**

In the current year, the Association has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. No new and revised standards and interpretations that have been adopted in the current period have affected the amounts reported in these financial statements (refer note 2(m)).

**Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Association's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Refer to Note 3 for a discussion of critical judgements in applying the entity's accounting policies, and key sources of estimation uncertainty.

**NSW FARMERS' (INDUSTRIAL) ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**2. Significant accounting policies (continued)**

**(a) Foreign currency**

The financial statements of the Association are presented in its functional currency being the currency of the primary economic environment in which the entity operates. The results and financial position of the Association is expressed in Australian dollars, which is the functional currency of NSW Farmers' (Industrial) Association and the presentation currency for the financial statements.

**(b) Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

**(c) Revenue**

Revenue is measured at the fair value of the consideration received or receivable.

Dividend and interest revenue

Dividend revenue from investments is recognised when the Association's right to receive payment has been established.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Membership subscription income

Subscription income is recognised on a straight line basis over the subscription term.

Project income

Project income is recognised over the periods necessary to match the income with the costs they are intended to compensate.

Distribution income

Distribution income is recognised when the right to receive the revenue has been established.

Other income

Other income is recognised when the right to receive the revenue has been established.

Rent income

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

In the event that lease incentives are paid to enter into operating leases, such incentives are recognised as an asset. The aggregate benefits of incentives are recognised as a reduction of rental income on a straight-line basis over the lease term.

**NSW FARMERS' (INDUSTRIAL) ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**2. Significant accounting policies (continued)**

**(c) Unearned revenue**

Project funding and subscription receipts relating to periods beyond the current financial year end are deferred and are disclosed as unearned income in the statement of financial position.

**(d) Cash and cash equivalents**

Cash comprises demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of the acquisition.

**(e) Financial assets**

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value net of transaction costs, except for those financial assets classified at fair value through profit or loss which are initially measured at fair value.

Other financial assets are classified into the following specified categories: 'financial assets at fair value through profit or loss', 'available-for-sale financial assets', 'held to maturity' investments and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. At 31 December 2014, the Association had no held to maturity investments.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss where the financial asset:

- has been acquired principally for the purpose of selling in the near future; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Association's documented risk management or investment strategy, and information about the grouping is provided internally on that basis.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 16.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Association provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets.

Loans and receivables are measured at amortised cost, using the effective interest method less impairment.

**NSW FARMERS' (INDUSTRIAL) ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**2. Significant accounting policies (continued)**

**(e) Financial assets (continued)**

Available-for-sale financial assets

Available-for-sale financial assets held by the Association consist of Units in NFF Unit Trust. Gains and losses arising from changes in fair value are recognised directly in the investment revaluation reserve with the exemption of impairment losses, interest calculated using the effective method and foreign exchange gains and losses which are recognised directly in profit or loss. Fair value is determined in the manner described in Note 16.

Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is included in profit or loss for the period. Dividends on available-for-sale equity instruments are recognised in profit and loss when the Association's right to receive the dividends is established.

Impairment of financial assets

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

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

The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in equity.

Derecognition of financial assets

The Association derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Association neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Association recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Association retains substantially all the risks and rewards of ownership of a transferred financial asset, the Association continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

**NSW FARMERS' (INDUSTRIAL) ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**2. Significant accounting policies (continued)**

**(f) Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment. Costs include all expenditure that is directly attributable to the acquisition of the asset. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

The gain or loss on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The following useful lives are used in the calculation of depreciation:

Plant and Equipment 3-5 years

**(g) Investment property**

Investment properties are properties held to earn rentals and/or capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal. Any gain or loss arising on derecognition of the property is included in profit or loss in the period in which the property is derecognised.

**(h) Impairment of long-lived assets**

At each reporting date, the Association reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.



**NSW FARMERS' (INDUSTRIAL) ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**2. Significant accounting policies (continued)**

**(i) Employee benefits**

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

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Association in respect of services provided by employees up to reporting date.

Defined contribution plans are expensed when employees have rendered service entitling them to contributions.

**(j) Provisions**

Provisions are recognised when the Association has a present obligation (legal or constructive) as a result of a past event, it is probable that the Association will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**(k) Financial instruments issued by the Association**

Financial liabilities, including borrowings, are initially measured at fair value net of transaction costs.

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant periods. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

**NSW FARMERS' (INDUSTRIAL) ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**2. Significant accounting policies (continued)**

**(l) Leased assets**

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefits of incentives are recognised as a reduction of rental expense on a straight-line basis.

**(m) Adoption of new and revised Accounting Standards**

In the current year, the Association has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ("the AASB") that are relevant to its operations and effective for the current annual reporting period.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Association include:

**AASB 1031 'Materiality'**

AASB 1031 'Materiality' removes the Australian guidance on materiality that is not available in IFRSs. This change would not change the level of disclosure presently specified by other accounting standards. The adoption of AASB 1031 does not have any material impact on the disclosures or the amounts recognised in the Association's financial statements.

**AASB 2013-9 'Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments' (Part B Materiality)**

This amending standard makes amendments to particular Australian Accounting Standards to delete references to AASB 1031, at the same time it makes various editorial corrections to Australian Accounting Standards as well. The adoption of amending standard does not have any material impact on the disclosures or the amounts recognised in the Association's financial statements.

**NSW FARMERS' (INDUSTRIAL) ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**2. Significant accounting policies (continued)**

**(m) Adoption of new and revised Accounting Standards (continued)**

**Standards and Interpretations in issue and not yet adopted**

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective:

<b>Standard/Interpretation</b>	<b>Effective for annual reporting periods beginning on or after</b>	<b>Expected to be initially applied in the financial year ending</b>
• AASB 9 'Financial Instruments', and the relevant amending standards.	1 January 2018	31 December 2018
• AASB 2014-1 'Amendments to Australian Accounting Standards' - Part A: 'Annual Improvements 2010–2012 and 2011–2013 Cycles' - Part B: 'Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)' - Part C: 'Materiality'	1 July 2014	31 December 2015
• AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	31 December 2016
• AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2017	31 December 2017
• AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	31 December 2016

At the date of authorisation of the financial statements, the following IASB Standards and IFRIC Interpretations were also in issue but not yet effective, although Australian equivalent Standards and Interpretations have not yet been issued.

Disclosure Initiative (Amendments to IAS 1)	1 January 2016	31 December 2016
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**NSW FARMERS' (INDUSTRIAL) ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**3. Critical accounting estimates and judgments**

**(i) Critical accounting estimates and judgements**

The Executive Committee of the Association evaluates estimates and judgments incorporated into the financial statements 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 within the Association. Key estimates and critical judgments include estimation of fair values of investment properties and classification of investments as "financial assets at fair value through profit or loss".

**4. REVENUE**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
	<hr/>	<hr/>
Dividend and trust distribution income	283,276	733,052
Subscription income	758,324	709,796
Interest income	315,750	191,825
Project income	25,000	35,571
NFF House Unit Trust distribution	40,758	53,631
Contributions – Special Purpose Fund	278	-
Rental income	746,821	333,666
Other income	22,993	17,511
	<hr/>	<hr/>
	<b>2,193,200</b>	<b>2,075,052</b>

**5. PROFIT FOR THE YEAR**

The profit for the year has been arrived at after (crediting)/charging the following:

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
	<hr/>	<hr/>
Changes in fair value on financial assets designated at fair value through profit or loss	(954,335)	(2,071,395)
Consultancy fees – projects	24,735	3,930
Employee benefit expenses:		
Holders of office:		
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
Employees other than office holders:		
Wages and salaries	223,680	222,723
Superannuation	20,690	20,602
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	25,507	28,869
Gain on movement in fair value of investment property	(1,045,296)	(1,047,298)

**NSW FARMERS' (INDUSTRIAL) ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**6. TRADE AND OTHER RECEIVABLES**

Accounts receivable from related entity:			
- NSW Farmers' Association	(i)	6,037,666	4,383,134
Accounts receivable from third parties		44,563	-
GST receivable		14,215	29,192
Accrued income		3,476	3,477
		<u>6,099,920</u>	<u>4,415,803</u>

(i) At the balance date, the related party receivable balance is repayable on demand, however the Directors have given an undertaking to NSW Farmers' Association that it will not call the loan for repayment if doing so would cause NSW Farmers' Association to be unable to repay its other debts as or when they fall due.

	<u>2014</u> \$	<u>2013</u> \$
<b>7. OTHER ASSETS</b>		
<b>Current:</b>		
Prepayments	33,019	28,748
Other	-	29,144
	<u>33,019</u>	<u>57,892</u>
<b>Non-current:</b>		
Other	-	93,252
	<u>-</u>	<u>93,252</u>

	<u>2014</u> \$	<u>2013</u> \$
<b>8. OTHER FINANCIAL ASSETS</b>		
Financial assets at fair value through profit or loss		
Financial assets in quoted securities – at fair value	17,377,348	17,701,924
Available-for-sale financial assets		
Investment in NFF House Trust – at fair value	823,872	801,937
	<u>18,201,220</u>	<u>18,503,861</u>

**NSW FARMERS' (INDUSTRIAL) ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**9. PROPERTY, PLANT AND EQUIPMENT**

	<b>Field Day Sheds \$</b>	<b>Artworks \$</b>	<b>Furniture &amp; Fittings \$</b>	<b>Total \$</b>
<b>2014</b>				
<b>Gross carrying amount</b>				
Balance at the beginning of year	6,000	20,155	75,192	101,347
Additions	-	-	-	-
<b>Balance at the end of year</b>	<b>6,000</b>	<b>20,155</b>	<b>75,192</b>	<b>101,347</b>
<b>Accumulated depreciation</b>				
Balance at the beginning of year	-	-	15,094	15,094
Depreciation expense	-	-	33,126	33,126
<b>Balance at the end of year</b>	<b>-</b>	<b>-</b>	<b>48,220</b>	<b>48,220</b>
<b>Net book value</b>				
As at 31 December 2014	6,000	20,155	26,972	53,127
<b>2013</b>				
<b>Gross carrying amount</b>				
Balance at the beginning of year	6,000	20,155	75,192	101,347
Additions	-	-	-	-
<b>Balance at the end of year</b>	<b>6,000</b>	<b>20,155</b>	<b>75,192</b>	<b>101,347</b>
<b>Accumulated depreciation</b>				
Balance at the beginning of year	-	-	64	64
Depreciation expense	-	-	15,030	15,030
<b>Balance at the end of year</b>	<b>-</b>	<b>-</b>	<b>15,094</b>	<b>15,094</b>
<b>Net book value</b>				
As at 31 December 2013	6,000	20,155	60,098	86,253

**NSW FARMERS' (INDUSTRIAL) ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**10. INVESTMENT PROPERTY**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Fair value</b>		
Investment property	11,187,126	9,887,126
Balance at beginning of year	9,887,126	8,820,126
Additions	65,417	-
Movement in lease incentive	189,287	19,702
Gain on property revaluation	1,045,296	1,047,298
<b>Balance at the end of the year</b>	<b>11,187,126</b>	<b>9,887,126</b>

The fair values as at 31 December 2014 have been arrived at on the basis of a valuation determined principally on the income capitalisation method of valuation. The Association has applied the capitalisation rates obtained from independent valuers, LandMark White, to the market rent of the property. In estimating the fair value of the properties, the highest and best use of the properties has been used.

The property was last valued by an independent valuer as at 31 December 2013, by LandMark White, independent valuers.

The fair value remeasurement gain is shown in the reconciliation note above.

The Association has classified its property assets as Level 3 hierarchy assets due to their fair value being based on unobservable inputs as follows:

Class of property	Fair value hierarchy	Fair value 2014	Fair value 2013	Valuation technique	Key unobservable inputs	Input range		Relationship of unobservable input to fair value
						2014	2013	
Commercial	Level 3	10,600,000	9,300,000	Income capitalisation method	• Market rent	\$350-533m <sup>2</sup>	\$350-533m <sup>2</sup>	The higher the passing and market rent per square metre, the higher the fair value. The higher the capitalisation rate, the lower the fair value.
					• Capitalisation rate	8.25%	8.50-9.00%	
Residential	Level 3	587,126	587,126	Market comparison method	• Price per square metre	\$7,488	\$7,488	Higher the price per square metre, the higher the fair value.

A change in the income capitalisation rate of 0.25% would result in a fair value change (increase/decrease) of \$29,506 (2013: \$26,461).

There were no transfers between hierarchy levels during the year.

The valuation process adopted by the directors includes engagement of suitably qualified independent, external valuers to conduct commercial property valuations on a periodic basis, but at least once every 3 years. During interim years, an internal valuation assessment is performed using external market data relating to capitalisation rates and internal rental data relating to the properties.

**NSW FARMERS' (INDUSTRIAL) ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**11. TRADE AND OTHER PAYABLES**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Current:</b>		
<b>Unsecured liabilities</b>		
Trade payables (i)	10,438	2,651
Sundry creditors and accruals	71,001	73,613
	81,439	76,264

(i) The average credit period on purchases of certain goods is 30 days. No interest is charged on trade payables from the date of invoice. The Association has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

**12. OTHER LIABILITIES**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Current:</b>		
Unearned income	173,165	649,652
Employee provisions – Office holders	-	-
Employee provisions – Employees other than office holders	-	-
	173,165	649,652

**13. BORROWINGS**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Margin lending facility	1,014,620	1,258,244

The margin lending facility is utilised in connection with the investment portfolio and bears an annual interest of 3.65% at reporting date (2013: 2.75%). Assets secured over the facility include quoted securities (Note 8) with a fair value of \$19,112,775 at balance date (2013: \$4,541,964).

**14. RELATED PARTY TRANSACTIONS**

(a) Transactions with Key Management Personnel

- i. There are no employee benefits paid to any holders of office in the Association.

(b) Transactions with other related parties:

- i. During the year, the entity paid management fees of \$475,944 (2013: \$1,303,495) to NSW Farmers' Association, a related entity.
- ii. The entity has provided loans to and received advances from NSW Farmers' Association, a related entity. These loans and advances are unsecured, interest free and repayable on demand. Refer Note 6 for balance outstanding at year end.
- iii. In December 2012, the Association entered into a five year lease agreement with NSW Farmers' Association for the rental of the premises at 35 Chandos Street, St Leonard's. The annual rental is \$285,722 (2013: \$277,400).

Transactions between related parties are on normal commercial terms and conditions unless otherwise stated.



**NSW FARMERS' (INDUSTRIAL) ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**15. NOTES TO THE STATEMENTS OF CASH FLOWS**

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

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand and in banks and investments in money market investments, net of outstanding bank overdrafts. Cash and cash equivalents as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	1,996,103	415,905
Cash held with investment manager	1,852,424	3,774,344
	<u>3,848,527</u>	<u>4,190,249</u>

**(b) Reconciliation of profit for the year to net cash flows from operating activities**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Profit for the year	2,881,504	3,057,347
Change in fair values of financial assets held at fair value through profit and loss	(954,335)	(2,071,395)
Dividend and interest income	(636,092)	(966,500)
Management fee to related entity (non-cash)	475,944	1,303,495
Depreciation on plant and equipment	33,126	15,030
Gain on movement in fair value of investment property	(1,045,296)	(1,047,298)
Changes in assets and liabilities		
(Increase)/decrease in trade receivables	(29,586)	305,538
Decrease/(increase) in other current asset	118,126	(56,559)
Increase in deferred lease incentive	(189,287)	(19,702)
(Decrease)/increase in deferred income	(476,487)	25,746
Increase/(decrease) in trade and other payables	5,175	(685,608)
<b>Cash flows provided by/(used in) operating activities</b>	<u>182,792</u>	<u>(139,906)</u>

**NSW FARMERS' (INDUSTRIAL) ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**16. FINANCIAL INSTRUMENTS**

**(a) Financial risk management objectives**

The Executive Committee has overall responsibility for the establishment and oversight of the Association's financial management framework. The Board of a related entity – NSW Farmers' Association has an established Finance and Audit Committee ("Finance Committee"), which is responsible for developing and monitoring the Association's financial management policies. The Committee provides regular reports to the Board of Directors on its activities.

The Association's risk management policies are established to identify and analyse the risks faced by the Association, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Association's activities.

The Finance Committee will oversee how Management monitors compliance with risk management policies and procedures and review the adequacy of the risk management framework in relation to the risks.

The main risk arising from the Association's financial instruments are price risk, foreign exchange risk, interest rate risk, credit risk, and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

**(b) Capital risk management**

The Executive Committee's policy is to maintain a strong capital base so as to maintain members' confidence and to sustain future development of the Association. There were no changes in the Association's approach to capital management during the period.

The Association's capital structure comprises cash, short-term deposits, investments and other financial assets. The main purpose of these financial instruments is to raise finance for and fund the Association's operations. The Association has various other financial instruments such as trade debtors and creditors, which arise directly from its operations.

**(c) Categories of financial instruments**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>		
Cash and cash equivalents	3,848,527	4,190,249
Loans and receivables	6,099,920	4,415,803
Available-for-sale financial assets	823,872	801,937
Financial assets designated as fair value through profit or loss	17,377,348	17,701,924
	<u>28,149,667</u>	<u>27,109,913</u>
<b>Financial liabilities</b>		
Trade and other payables	81,439	76,264
Margin lending facility	1,014,620	1,258,244
	<u>1,096,059</u>	<u>1,334,508</u>

**(d) Market risk**

Market risk is the risk that changes in market prices, foreign exchange rates, and interest rates, will affect the Association's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and monitor market risk exposures within acceptable parameters, whilst optimising the return on risk.

There has been no change to the Association's exposure to market risks or the manner in which it manages and measures the risk from the previous year.

**NSW FARMERS' (INDUSTRIAL) ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**16. FINANCIAL INSTRUMENTS (continued)**

**(d) Market risk (continued)**

**Interest rate risk management**

The Association is exposed to interest rate risk as a consequence of its cash and deposits balances which attracts average variable interest rates as well as a margin lending facility exposed to variable interest rates.

**Interest rate risk sensitivity analysis**

The sensitivity analysis below have been determined based on the Association's exposure to interest rates for its financial assets and financial liabilities as at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management and represents management's assessment of the possible change in interest rates.

At reporting date if interest rates had been 50 basis points higher/lower and all other variables were held constant, the Association's:

- profit for the year ended 31 December 2014 would decrease/increase by \$19,243 (2013: decrease/increase by \$20,951). This is mainly attributable to the Association's exposure to interest rates on its variable rate deposits.

**Equity price sensitivity**

The Association is exposed to equity price risk as a consequence of its fair value through profit and loss assets as set out in Note 8.

The Association has taken steps to limit the risk by spreading the financial assets into different asset classes.

The sensitivity analysis below has been determined based on the exposure to equity price risks at the reporting date.

A 5% increase or decrease is used when reporting market price risk internally to key management and represents management's assessment of the possible change in equity prices.

The sensitivity analysis below have been determined based upon the Association's exposure to market prices at reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

At reporting date, if market prices had been 5% higher or lower and all other variables were held constant, the Association's net profit would increase/decrease by approximately \$868,867 (2013: \$885,096).

**NSW FARMERS' (INDUSTRIAL) ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**16. FINANCIAL INSTRUMENTS (continued)**

**(d) Market risk (continued)**

**Foreign exchange risk sensitivity**

The Association is exposed to foreign exchange risk as a consequence of certain financial asset investments (quoted securities) being denominated in currencies other than the Australian dollar (AUD).

The main currency exposure is US dollars (USD) with US denominated equity investments totalling to USD 3,904,105 (AUD 4,780,927) at balance date. This exposure is partially hedged through a USD denominated margin lending facility in place at balance date totalling USD 828,733 (AUD 1,014,620).

The sensitivity below has been determined based on a 5% movement in the AUD/USD at reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

At reporting date if the AUD/USD currency rate had been 5% higher or lower and all other variables were held constant, the Association's net profit (reflected via market movement in investments at fair value) would increase/decrease by approximately \$183,300 (2013: \$214,459).

**(e) Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Association. The Association has adopted a policy of only dealing with creditworthy counterparties. The main receivables balance relates to a related party – NSW Farmers' Association.

The Association establishes an allowance for doubtful debts that represents its estimate of incurred losses in respect of trade and other receivables.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Association's maximum exposure to credit risk.

**(f) Liquidity risk management**

Liquidity risk is the risk the Association will not be able to meet its financial obligations as they fall due. The Association's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.

The Association's overall objective is to maintain a balance between continuity of funding and flexibility through the use of its assets under investment management.

The Association manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows.

**NSW FARMERS' (INDUSTRIAL) ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**16. FINANCIAL INSTRUMENTS (continued)**

**(f) Liquidity risk management (continued)**

Liquidity and interest risk tables

The following table details the Association's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Association can be required to pay. The table includes both interest and principal cash flows.

	<b>Weighted average effective interest rate %</b>	<b>Less than 1 year \$</b>	<b>1 - 2 years \$</b>	<b>Longer than 2 years \$</b>
<b>2014</b>				
<b>Financial liabilities</b>				
Non-interest bearing	-	81,439	-	-
Variable interest rate instruments	3.65	1,014,620	-	-
		1,096,059	-	-
<b>2013</b>				
<b>Financial liabilities</b>				
Non-interest bearing	-	76,264	-	-
Variable interest rate instruments	2.75	1,258,244	-	-
		1,334,508	-	-

The following table details the Association's remaining contractual maturity for its non-derivative financial assets. The tables have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Association anticipates that the cash flow will occur in a different period.

	<b>Weighted average effective interest rate %</b>	<b>Less than 1 year \$</b>	<b>1 - 2 years \$</b>	<b>Longer than 2 years \$</b>
<b>2014</b>				
<b>Financial assets</b>				
Non-interest bearing	-	19,519,026	-	-
Fixed interest rate instruments	5.75	265,000	-	-
Variable interest rate instruments	2.60	8,365,641	-	-
		28,149,667	-	-
<b>2013</b>				
<b>Financial assets</b>				
Non-interest bearing	-	17,539,623	-	-
Fixed interest rate instruments	4.13	5,380,041	-	-
Variable interest rate instruments	1.99	4,190,249	-	-
		27,109,913	-	-

**NSW FARMERS' (INDUSTRIAL) ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**16. FINANCIAL INSTRUMENTS (continued)**

**(g) Fair value of financial instruments**

This note provides information about how the Association determines the fair values of various financial assets and financial liabilities.

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	<b>31/12/2014</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial assets at fair value through profit or loss</b>				
Non-derivative financial assets designated as at fair value through profit or loss	14,860,614	2,516,734	-	17,377,348
<b>Available-for-sale financial assets</b>				
Unquoted equities	-	-	823,872	823,872
<b>Total</b>	<b>14,860,614</b>	<b>2,516,734</b>	<b>823,872</b>	<b>18,201,220</b>

There were no transfers between Level 1 and 2 in the period.

	<b>31/12/2013</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial assets at fair value through profit or loss</b>				
Non-derivative financial assets designated as at fair value through profit or loss	13,831,669	3,870,255	-	17,701,924
<b>Available-for-sale financial assets</b>				
Unquoted equities	-	-	801,937	801,937
<b>Total</b>	<b>13,831,669</b>	<b>3,870,255</b>	<b>801,937</b>	<b>18,503,861</b>

There were no transfers between Level 1 and 2 in the period.

**NSW FARMERS' (INDUSTRIAL) ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**16. FINANCIAL INSTRUMENTS (continued)**

**(g) Fair value of financial instruments (continued)**

Fair value of the Association's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Association's financial assets and liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets/financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and inputs(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	31/12/2014 \$	31/12/2013 \$				
Financial assets at fair value through profit or loss – Listed securities	14,860,614	13,831,669	Level 1	Quoted bid prices in an active primary market	N/A	N/A
Financial assets at fair value through profit or loss – Unlisted securities	2,516,734	3,870,255	Level 2	Quoted bid prices in a secondary market	N/A	N/A
Available-for-sale financial assets	823,872	801,937	Level 3	Proportionate net assets of investee company	Net assets of investee company	Higher the net assets, the higher the fair value

The directors consider that the carrying amounts of all other financial assets and financial liabilities recognised in the financial statements approximate their fair values.

Reconciliation of Level 3 fair value measurements

<b>Available-for-sale financial assets</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Opening balance	801,937	788,644
Total gains or losses:		
- In other comprehensive income	21,935	13,293
Closing balance	<u>823,872</u>	<u>801,937</u>

**17. KEY MANAGEMENT COMPENSATION**

Remuneration of key management personnel, including the Chief Executive, is borne by a related entity – NSW Farmers' Association. A reasonable allocation of the amount of the management fee attributable to management compensation cannot be made.

**NSW FARMERS' (INDUSTRIAL) ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**18. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR**

In accordance with the requirement of clause 161(f) of the *Fair Work (Registered Organisations) Regulations 2010* ("the FW(RO) Regulations") the attention of Members is drawn to the provisions of sub-sections (1), (2) and (3) of section 272 of the *Fair Work (Registered Organisations) Act 2010*, which 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).

**19. REMUNERATION OF AUDITORS**

	<u>2014</u>	<u>2013</u>
	\$	\$
Audit and review of financial reports	<u>13,600</u>	<u>13,600</u>

The auditor of NSW Farmers' (Industrial) Association is Deloitte Touche Tohmatsu. No other services were provided during the year.

**20. SUBSEQUENT EVENTS**

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Association, the results of those operations, or the state of affairs of the Association in future financial years.



**NSW FARMERS' (INDUSTRIAL) ASSOCIATION  
STATEMENT BY MEMBERS OF THE COMMITTEE  
FOR THE YEAR ENDED 31 DECEMBER 2014**

The members of the Committee declare that:

1. The financial statements and notes for the financial year ended 31 December 2014 present a true and fair view of the financial position of NSW Farmers' (Industrial) Association at 31 December 2014 and its performance for the financial year ended on that date in accordance with the Australian Accounting Standards (AIFRS) and Interpretations and the requirements under Section 253 of the *Fair Work (Registered Organisations) Act 2010* ("the FW(RO) Act");
2. At the date of this statement, there are reasonable grounds to believe that NSW Farmers' (Industrial) Association will be able to pay its debts as and when they become due and payable; and
3. In the directors' opinion, the financial statements and notes thereto are in accordance with international Financial Reporting Standards issued by the International Accounting Standards Board.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

Dated this 14<sup>th</sup> day of May 2015



A F Simson  
President



D Clarke  
Treasurer

16 February 2015



Ms Fiona Simpson  
President

CC:  
Mr Matthew Brand  
Chief Executive Officer  
NSW Farmers' (Industrial) Association  
[industrial@nswfarmers.com.au](mailto:industrial@nswfarmers.com.au)

Dear Mr Brand,

**Request by NSW Farmers' (Industrial) Association for extension of time to hold a general meeting to consider the financial report for the year ended 31 December 2014 (FR2014/433)**

I acknowledge receipt on 9 February 2015 of a request for an extension of time until 31 July 2015 to hold a general meeting of members of the NSW Farmers' (Industrial) Association to consider the financial report for the year ended 31 December 2014.

Your request references the overlapping dates of the Annual Conference of the New South Wales Farmers' (Industrial) Association, set down for 16 July 2015.

Where the financial report is to be presented to a general meeting of members, section 266 of the RO Act requires that the meeting be held within the period of 6 months of the end of the financial year, that is by 30 June 2015. Subsection 265(5) of the RO Act enables the General Manager of the Fair Work Commission, upon application by a reporting unit, to extend the period by no more than one month.

Having considered your reasons, I allow an extension of time for a period of one month, until 31 July 2015, to hold a general meeting of members to consider the full report.

I note however, that an extension for this purpose has been granted for each of at least the last eight financial years, in which the reporting unit has sought (and been granted) an extension. I would encourage the organisation to consider a permanent solution, either by way of seeking a rule alteration to Rule 31 (altering the date of the financial year), or canvassing a change of dates for the Annual Conference of the New South Wales Farmers' (Industrial) Association, rather than seeking continued extensions into the future.

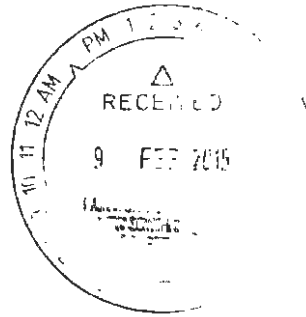
Yours sincerely

A handwritten signature in blue ink, appearing to be 'CE', is centered at the top of the page. The signature is fluid and stylized, with a large loop on the left and a vertical stroke on the right.

Chris Enright  
Delegate of the General Manager  
Fair Work Commission



# Industrial Association



6 February 2015

The General Manager  
Fair Work Australia  
Level 8, Terrance Towers  
80 William Street  
SYDNEY NSW 2011

Dear Sir/Madam,

**NSW FARMERS' (INDUSTRIAL) ASSOCIATION  
APPLICATION FOR AN EXTENSION OF TIME TO HOLD ANNUAL GENERAL MEETING s.265(5)**

The New South Wales Farmers' (Industrial) Association (the 'Association') advises that the Financial Return pertaining to the year ended 31 December 2014 will be presented to the Annual General Meeting of the Association in accordance with Section 266(1) of the Fair Work (registered organisation) ACT 2009, (the "RO Act").

The Annual General Meeting of the Association is scheduled to be held on 16 July 2015. In order to minimise the inconvenience to members of the Association, most of who live outside Sydney, the Annual General Meeting has always been held in conjunction with the Annual Conference of the New South Wales Farmers' Association. As such the Association seeks an extension of one month under Section 265(5) in addition to the 6 month time limit prescribed under Section 265(5)(a).

The 2014 Financial Reports will be distributed to Association members 21 days prior to the Annual General Meeting in accordance with Section 265(5) and will consist of:

1. The accounts and statements in compliance with Section 253 of (the "RO Act");
2. An operating report in compliance with Section 254 of (the "RO Act"); and
3. A copy of our Auditors report on the NSW Farmers' (Industrial) Association ('Association') for the year ending 31 December 2014;

These documents will then be lodged to the Australian Industrial Registry within 14 days of the acceptance of the Financial Report by the Annual General Meeting.

These will be accompanied by a Certificate signed by the Chief Executive/Secretary of the Association as required by Section 268(c) of the "RO Act".

Yours sincerely,

Luke Messer  
GENERAL MANAGER FINANCE

**NSW Farmers' Industrial Association**

ABN 49 058 101 237 PO Box 459 St Leonards NSW 1590 Level 6 35 Chandos Street St Leonards NSW 2065  
Member Service Centre 1300 794 000 T 02 9478 1000 F 02 8282 4500 [www.nswfarmers.org.au](http://www.nswfarmers.org.au)



13 January 2015

Mr Matthew Brand  
Chief Executive Officer  
NSW Farmers' (Industrial) Association  
Sent via email: [industrial@nswfarmers.com.au](mailto:industrial@nswfarmers.com.au)

Dear Mr Brand,

**Re: Lodgement of Financial Report - [FR2014/433]  
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the NSW Farmers' (Industrial) Association (the reporting unit) ended on 31 December 2014.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date, namely 15 July 2015 (being the expiry date of 6 months and 14 days from the end of the financial year), under s.268 of the RO Act.

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. Further, the General Manager's updated Reporting Guidelines that apply to all financial reports prepared on or after 30 June 2014 are also available on the website which includes a webinar presentation on the Reporting Guidelines.

The Fair Work Commission has also developed a model set of financial statements. There is no requirement to use this model but it may be a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. All of the above information can be accessed through our website under [Financial Reporting](#).

I request that the financial report and any statement of loans, grants or donations made during the financial year (statement must be lodged within 90 days of end of financial year) be emailed, rather than posted, to [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au). A sample statement of loans, grants or donations is available at [sample documents](#).

**It should be noted that s.268 is a civil penalty provision.** Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$51,000 for a body corporate and \$10,200 for an individual per contravention) being imposed upon an officer whose conduct led to the contravention and/or your organisation.

Should you seek any clarification in relation to the above, please contact me on (03) 8661 7936 or via email at [robert.pfeiffer@fwc.gov.au](mailto:robert.pfeiffer@fwc.gov.au).

Yours sincerely,

Robert Pfeiffer  
Senior Adviser  
Regulatory Compliance Branch

## TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
Prepare financial statements and Operating Report.		
<p>(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.</p> <p>(b) A # designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).</p>	/ /	As soon as practicable after end of financial year
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	<p>Within a reasonable time of having received the GPFR</p> <p>(NB: Auditor's report must be dated on or after date of Committee of Management Statement</p>
<p>Provide full report free of charge to members – s265</p> <p>The full report includes:</p> <ul style="list-style-type: none"> <li>the General Purpose Financial Report (which includes the Committee of Management Statement);</li> <li>the Auditor's Report; and</li> <li>the Operating Report.</li> </ul>	/ /	<p>(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting,</p> <p>or</p> <p>(b) in any other case including where the report is presented to a Committee of Management meeting*, the report must be provided to members within 5 months of end of financial year.</p>
Present full report to:		
(a) General Meeting of Members - s266 (1),(2); OR	/ /	Within 6 months of end of financial year
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /	Within 6 months of end of financial year
Lodge full report with the Fair Work Commission, together with the #Designated Officer's certificate++ – s268	/ /	Within 14 days of meeting

\* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

# The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.