



FAIR WORK
AUSTRALIA

29 February 2012

Mr. Jason Letchford
Secretary
The Shearing Contractors' Association of Australia

email: scaaemail@gmail.com

cc: Page Harrison & Co

Dear Mr Letchford

Financial report of The Shearing Contractors' Association of Australia for the financial year ended 30 November 2010 (FR 20010/2811)

Thank you for arranging the lodgement of further information being an operating report in relation to the above financial report and advice that the operating report has been supplied to members of the organisation.

The financial report has now been filed.

An examination of the financial report reveals areas of non-compliance with the Fair Work (Registered Organisations) Act 2009 'the RO Act'. As mentioned in our letter of 3 November 2011 full compliance with the financial reporting requirements in relation to future financial reports will be required. In future years the following matters must be addressed.

1. Auditor's Report

Auditor's Opinion

The opinion expressed by the auditor in their report has not fully met the requirements of the Act. Section 257(5) of the RO Act sets out the matters on which an auditor is required to state an opinion. An acceptable form of wording would be as follows:

'In our opinion the general purpose financial report presents fairly in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia and the requirements of the Fair Work (Registered Organisations) Act 2009.'

Auditor's Qualifications

Regulation 4 of the Fair Work (Registered Organisations Regulations) 2009 'the RO Regulations' defines an approved auditor as a person who is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the National Institute of Accountants, and holds a current Public Practice Certificate. In all likelihood the auditor is such a person. However, it is our preference that this is made explicit in future auditor's reports.

Disclaimer

The auditor's report contains the following disclaimer:

'We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.'

Such a disclaimer may be appropriate for a special purpose financial report. However as the organisation is required to produce a GPFR the disclaimer is not appropriate and is inconsistent with the obligations of the auditor under sections 257(5) - (11) of the RO Act.

2. Timescale Requirements

Financial reports should be prepared, audited, supplied to members, presented to a meeting and lodged with Fair Work Australia within certain timescale requirements.

From the information available, the financial report was presented to the Annual General Meeting of the Association on 7 May 2011. No information was provided as to when the reports were supplied to members. It should be noted that financial documents should be provided to members at least 21 days before the general meeting at which the documents are to be presented (refer s265(5)(a) of the RO Act).

It should also be noted that the full report, accompanied by a Designated Officer's Certificate, must be lodged with Fair Work Australia within 14 days of its presentation to an appropriate meeting.

3. Designated Officer's Certificate

Section 268 of the RO Act requires a certificate by a prescribed designated officer [see definition – regulation 162 of the Fair Work (Registered Organisations) Regulations 2009 'the RO Regulations'] that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with section 266. The dates that the financial reports were supplied to members and presented to a meeting should be provided.

A Designated Officer's Certificate providing the above information should be lodged. I have attached a sample Designated Officer's Certificate for use in future years.

4. Committee of Management Statement

The document titled "Statement by Members of the Committee" has not been produced in accordance with the reporting guidelines.

A Committee of Management Statement should comply with the reporting guidelines issued for the purposes of s253 of the RO Act. Under item 25 of the reporting guidelines, the committee of management statement must include declarations as to whether in the opinion of the committee of management:

- (a) *the financial statements and notes comply with the Australian Accounting Standards;*
- (b) *the financial statements and notes comply with the reporting guidelines of the General Manager of Fair Work Australia;*
- (c) *the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;*
- (d) *there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and*
- (e) *during the financial year to which the GPFR relates and since the end of 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 RO Act and the RO Regulations; and*

- (iv) *where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and*
- (v) *the information sought in any request of a member of the reporting unit or the General Manager of Fair Work Australia duly made under section 272 of the RO Act has been furnished to the member or General Manager of Fair Work Australia; and*
- (vi) *there has been compliance with any order for inspection of financial records made by Fair Work Australia under section 273 of the RO Act.*

In addition to these requirements, the committee of management statement must be made in accordance with such resolution passed by the committee in relation to the matters requiring declaration. The statement must also specify the date of the resolution. I have attached a sample Committee of Management Statement for use in future years.

5. Notes to and forming part of the financial statements - Revenue

AASB 118 makes it mandatory to state, in the notes to and forming part of the financial statements, your policy in relation to revenue recognition.

The present accounts are silent on this issue. Please include a statement of your revenue recognition policy in future notes.

6. Notice to members

There should be included in the financial report a notice drawing attention to provisions of the Act that prescribed information is available to members on request and which sets out a copy of subsections 272(1), (2) and (3) - refer subsection 272(5) of the RAO Schedule and regulation 161(f) of the RAO Regulations.

7. Naming of Documents

I note that the financial report comprises, among other documents, a 'Committee's Report', 'Statement by Members of the Committee' and 'Certificate by Member of the Committee'. Such documents should reflect the names of those documents as required by the RO Act, that is, the Operating Report, Committee of Management Statement and Designated Officer's Certificate.

Should you wish to discuss this letter or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7993 or by email at larry.powell@fwa.gov.au.

Yours sincerely,



Larry Powell
Organisations, Research and Advice

Sample Designated Officer's Certificate or other Authorised Officer¹

s268 Fair Work (Registered Organisations) Act 2009

I *[name]* being the *[title of office]* of the *[name of the organisation]* certify:

- that the documents lodged herewith are copies of the full report, *[and the concise report]*², referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the *[full report **OR** concise report]*³, was provided to members on *[insert date]*; and
- that the full report was presented to *[a general meeting of members **OR** a meeting of the committee of management]*³ of the reporting unit on *[insert date]*; in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature

Date:

¹*The relevant regulations prescribe the designated officer for the purpose of s268 of the Fair Work (Registered Organisations) Act 2009 as:*

(a) the secretary; or

(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

²*Only applicable where a concise report is provided to members*

³*Insert whichever is applicable*

Committee of Management Statement

On *[date of meeting]* the Committee of Management of *[name of reporting unit]* passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended *[date]*:

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

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager of Fair Work Australia;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (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 RO Act and the RO Regulations; and
 - (iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - #(v) the information sought in any request of a member of the reporting unit or the General Manager of Fair Work Australia duly made under section 272 of the RO Act has been furnished to the member or General Manager; and
 - #(vi) there has been compliance with any order for inspection of financial records made by Fair Work Australia under section 273 of the RO Act.

For Committee of Management: *[name of designated officer per section 243 of the RO Act]*

Title of Office held:

Signature:

Date:

Where not relevant these may be modified accordingly (e.g. in (vi) "No orders have been made by Fair Work Australia under section 273 of the RO Act during the period."



The Shearing Contractors'
Association of Australia

Larry Powell
Organisations, Research and Advice
Fair Work Australia
GPO Box 1994
Melbourne Vic 3001

23 January 2012

Dear Larry

Declaration:

I, Jason Letchford, Secretary of the Shearing Contractors Association of Australia (SCAA), advise that the operating report and full financial report for FY 2010 have been supplied to members as of the 23 January, 2012.

Kind regards

Jason Letchford
Secretary

Mail: [PO Box 1143 Manly NSW 1655](#)
Ph: [0412 600 586](#)
Fax: [02 9400 9083](#)
Email: secretary@scaa.org.au

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA

OPERATING REPORT FOR THE YEAR ENDED 30TH NOVEMBER 2010 (Continued)

Number of Members

The number of members who were recorded at the end of the financial year was 221.

Number of Employees

The number of persons who were employed by the Association at the end of the financial year was NIL.

Members of the Committee of Management

The persons who held office as members of the Committee of Management of the Association at the beginning of the financial year were:

Michael Schofield	President
Frank Sutherland	Vice President
Ivan Letchford	Vice President
John Evans	Trustee
David Kemp	Trustee
Trevor King	Committee of Management Member
Andrew Morrison	Committee of Management Member
Noel Canty	Committee of Management Member
Austin Grigg	Committee of Management Member
Douglas Millhouse	Committee of Management Member
Damian Raudino	Committee of Management Member
Jason Letchford	Secretary / Treasurer

There were no changes to the composition of the Committee of Management during the financial year.

Name JASON LETCHFORD
Title SECRETARY / TREASURER
Signature [Handwritten Signature]

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
OPERATING REPORT FOR THE YEAR ENDED 30TH NOVEMBER 2010

Principal Activities

The principal activities of the association during the financial year were to look after the interests of Shearing Contractors around Australia. Including;

- Negotiation of pay rates and conditions of the Shearing Industry labour force
- Disseminate statutory and helpful information to members
- Provide discounted merchandise to members
- Provision of industry specific material and resources to streamline operations

Results of Principal Activities

The Association's principal activities resulted in the preservation of the interests of Shearing Contractors allowing them to operate within a financially viable environment; along with the preservation of the interests of the industry in general.

Significant Changes in the Nature of Principal Activities

There were no significant changes in the nature of the Association's principal activities during the financial year.

Significant Changes to the Association's Financial Affairs

There were no significant changes in the nature of the Association's financial affairs during the financial year.

Right of Members to Resign

In accordance with the resignation rule; Rule 12; a member has the right to resign from the Association.

Trustees of Superannuation Entities

No officer or member of the Association was:

- (i) a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (ii) a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme



FAIR WORK
AUSTRALIA

3 November 2011

Mr. Jason Letchford
Secretary
The Shearing Contractors' Association of Australia

email: scaaemail@gmail.com

Dear Mr Letchford

Financial report of The Shearing Contractors' Association of Australia for the financial year ended 30 November 2010 (FR 20010/2811)

Reference is made to the financial report of The Shearing Contractors' Association of Australia for the financial year ended 30 November 2010.

An examination of the financial report shows substantial non-compliance with the Fair Work (Registered Organisations) Act 2009 'the RO Act'. Fair Work Australia cannot accept financial reports which have been lodged without substantial compliance with the RO Act.

The financial report has not been supplied to members in accordance with section 265 of the RO Act (Item 1). Also, an operating report has not been produced in accordance with section 254 (Item 2). It is my view that, as a minimum, the organisation will have to prepare an operating report, addressing the required information for lodgment with Fair Work Australia as soon as possible. Once the operating report has been prepared, the organisation is obliged to also provide a copy of the operating report to its members with a copy of the financial report. Please note that the financial report will not be filed until the operating report has been lodged with Fair Work Australia accompanied by a statement from an office holder of the organization attesting that the operating report and financial report have been supplied to members.

Once the organization has satisfactorily complied with the above, a further letter will be supplied detailing the remaining deficiencies with the financial report. I emphasize that in relation to future financial reports full compliance with the financial reporting requirements will be required.

1. Timescale Requirements

Financial reports should be prepared, audited, supplied to members, presented to a meeting and lodged with Fair Work Australia within certain timescale requirements.

From the information available, the financial report was presented to the Annual General Meeting of the Association on 7 May 2011. No information has been provided as to when the reports were supplied to members. It should be noted that financial documents should be provided to members at least 21 days before the general meeting at which the documents are to be presented (refer s265(5)(a) of the RO Act).

2. Operating report

I note that the 'Committee's Report' appears to address some of the required information of an operating report.

Financial documents lodged must contain an operating report. The Committee of Management must as soon as practicable after the end of each financial year cause an operating report to be prepared in relation to the financial year - refer s254 of the RO Act and regulation 159 of the Fair Work (Registered Organisations) Regulations 2009 'the RO Regulations'. The operating report must contain the following:

(a) *Review of principal activities:*

The report must contain a review of the reporting unit's principal activities during the financial year, the results of those activities and any significant changes in the nature of those activities during the year.

(b) *Significant changes in financial affairs:*

The report must give details of any significant changes in the reporting unit's financial affairs during the year.

(c) *Right of members to resign:*

Subsection 254(2)(c) requires the operating report to "give details" of the right of members to resign from the reporting unit under section 174 of the RO Act. The 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 12 of the organisation's rules is applicable.

(d) *Trustees of superannuation entities:*

The report must give details (including details of the position held) of any officer or member of the reporting unit who is:

- (i) a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (ii) a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme; and

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 the reporting unit had no officers or members falling within such a positive statement to that effect should be provided.

(e) *Number of members and number of employees:*

Subsection 254(2)(f) of the RO Act and regulation 159(a) and (b) of the RO Regulations require the operating report to contain information pertaining to the number of persons that were members and the number of persons who were employees of the reporting unit at the end of the financial year.

(f) *Membership of Committee of Management:*

The operating report is required to contain the name of each person who has been a member of the committee of management of the reporting unit at any time during the reporting period, and the period for which he or she held such a position - refer regulation 159(c) of the RO Regulations.

In summary, the organisation is required to produce an operating report which contains the above listed information. Once that has been produced, the operating report, general purpose financial report and audit report must be distributed to members. The operating report with a statement from an office holder attesting that the operating report and financial report have been supplied to members must be lodged with Fair Work Australia.

Should you wish to discuss this letter or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7993 or by email at larry.powell@fwa.gov.au.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'L. Powell'.

Larry Powell
Tribunal Services and Organisations

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA

A.B.N. 82 193 025 602

FINANCIAL REPORT
FOR THE YEAR ENDED
30TH NOVEMBER 2010

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA

A.B.N. 82 193 025 602

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THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
A.B.N. 82 193 025 602

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA

The general purpose financial report and committee's responsibility

The financial report covers The Shearing Contractors Association of Australia as an individual entity. The financial report is presented in Australian Dollars, which is The Shearing Contractors Association of Australia's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the statement by members of the committee for The Shearing Contractors Association of Australia, for the year ended 30 November 2010.

The committee of the association is responsible for the preparation and true and fair presentation of the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are consistent with the financial reporting requirements of the Fair Work (Registered Organisations) Act and are appropriate to meet the needs of the members. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

The general purpose financial report has been prepared for distribution to members for the purpose of fulfilling the committee's financial reporting requirements under the Fair Work (Registered Organisations) Act. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Audit Approach

We conducted an independent audit in order to express an opinion to the members of the association. Our audit was conducted in accordance with Australian auditing standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the accounting policies described in Note 1, so as to present a view which is consistent with our understanding of the association's financial position, and of its performance as represented by the results of its operations. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia. No opinion is expressed as to whether the accounting policies used and described in Note 1, are appropriate for the needs of the members.

We formed our audit opinion on the basis of these procedures, which included;

- examining, on test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the committee.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
A.B.N. 82 193 025 602

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In our opinion, the financial report of The Shearing Contractors Association of Australia presents a true and fair view in accordance with the accounting policies described in Note 1 to the financial statements, of the financial position of The Shearing Contractors Association of Australia as at 30 November 2010 and the results of its operations and its cash flows for the year then ended.



Name of Firm: Page Harrison & Co
Name of Partner: Jason Rochaix
Date: 6th day of May 2011
Address: 15 Northcliff Street, Milsons Point, NSW, 2061

COMMITTEE'S REPORT

Your committee members submit the financial report of The Shearing Contractors Association of Australia for the financial year ended 30 November 2010

COMMITTEE MEMBERS

The names of committee members throughout the year and at the date of this report are:

Ivan Letchford	John Evans
Frank Sutherland	Andrew Morrison
Noel Canty	Douglas Millhouse
Trevor King	David Kemp
Austin Grigg	Damian Raudino
Michael Schofield	Jason Letchford

PRINCIPAL ACTIVITIES

The principal activities of the association during the financial year were to look after the interests of the employers of shearers who shear the sheep of Australia.

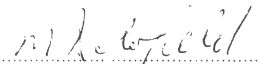
SIGNIFICANT CHANGES


No significant change in the nature of these activities occurred during the year.

OPERATING RESULT

The profit after providing for income tax amounted to \$16,506.29. (2009: \$43,150.69).

Signed in accordance with a resolution of the Members of the Committee.


.....
Michael Schofield


.....
Jason Letchford

Dated this 6th day of May 2011

STATEMENT BY MEMBERS OF THE COMMITTEE

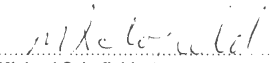
The Committee has determined that the Association is a reporting entity. The Committee has determined that this general purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the committee the financial report as set out on the following pages:

1. Presents a true and fair view of the financial position of The Shearing Contractors Association of Australia as at 30 November 2010 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that The Shearing Contractors Association of Australia will be able to pay its debts as and when they fall due.


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

President


.....
Michael Schofield

Date: 6th day of May 2011

Treasurer


.....
Jason Letchford

Date: 6th day of May 2011

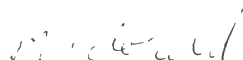
THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
A.B.N. 82 193 025 602

CERTIFICATE BY MEMBER OF THE COMMITTEE

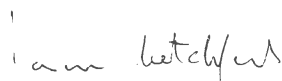
I, Michael Schofield of PO Box 707, Cooma, NSW, 2630 and I, Jason Letchford of PO Box 1143, Manly, NSW, 1655 certify that:

- We are members of the committee of The Shearing Contractors Association of Australia.
- We attended the annual general meeting of the association held on 7 May 2011
- We are authorised by the attached resolution of the committee to sign this certificate.
- This annual statement was submitted to the members of the association at its annual general meeting

Dated this 6th day of May 2011



MICHAEL SCHOFIELD (PRESIDENT)



JASON LETCHFORD (TREASURER)

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
A.B.N. 82 193 025 602

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH NOVEMBER 2010

	Note	2010 \$	2009 \$
Revenue	2	161,710.60	245,300.68
Other income	3	4,900.00	540.00
Expenses			
Advertising & promotion		(909.09)	(227.27)
Auditor's remuneration		(7,400.00)	(2,200.00)
Bank charges		(64.04)	(56.90)
Consultants and contractor fees		-	-
Freight		-	(20.00)
Insurance		(3,292.03)	(3,193.02)
Merchandise purchases		(81,851.04)	(61,980.10)
Miscellaneous expenses		-	-
Presidents honorarium		(4,000.00)	(4,000.00)
Printing, postage & stationery		(3,081.42)	(6,901.12)
Rent		(3,695.00)	(5,030.00)
Repairs and maintenance		-	-
Secretary's remuneration		(20,900.00)	(29,332.50)
Storage expenses		-	-
Telephone & facsimile		(3,668.21)	(1,358.28)
Travelling and accommodation expenses		(12,748.83)	(4,746.65)
Website expenses		-	(1,514.00)
Work cover project expenses		(8,494.65)	(82,130.15)
Profit / (Loss) before income tax expense		<u>16,506.29</u>	<u>43,150.69</u>
Income tax expense	4	-	-
Profit / (Loss) before income tax expense		<u>16,506.29</u>	<u>43,150.69</u>
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u>16,506.29</u>	<u>43,150.69</u>

The accompanying notes form part of these financial statements.

This report is to be read in conjunction with the attached audit report.

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
A.B.N. 82 193 025 602

STATEMENT OF FINANCIAL POSITION
AS AT 30TH NOVEMBER 2010

	Note	2010 \$	2009 \$
Current Assets			
Cash and cash equivalents	7	314,787.93	272,714.50
Trade and other receivables	8	21,076.54	40,992.69
Inventories	9	4,878.61	12,901.90
Other	10	-	-
Total Current Assets		<u>340,743.08</u>	<u>326,609.09</u>
Total Assets		<u>340,743.08</u>	<u>326,609.09</u>
Current Liabilities			
Trade and other payables	11	25,489.37	27,861.67
Total Current Liabilities		<u>25,489.37</u>	<u>27,861.67</u>
Total Liabilities		<u>25,489.37</u>	<u>27,861.67</u>
Net Assets		<u>315,253.71</u>	<u>298,747.42</u>
Equity			
Reserves	5	112,413.00	112,413.00
Retained profits	6	202,840.71	186,334.42
Total equity		<u>315,253.71</u>	<u>298,747.42</u>

The accompanying notes form part of these financial statements.
This report is to be read in conjunction with the attached audit report.

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
A.B.N. 82 193 025 602

STATEMENT OF CHANGES IN EQUITY
AS AT 30TH NOVEMBER 2010

	Reserves \$	Retained Profit \$	Total Equity \$
Balance at 1 December 2008	112,413.00	143,183.73	255,596.73
Total comprehensive income for the year	-	43,150.69	43,150.69
Balance at 30 November 2009	<u>112,413.00</u>	<u>186,334.42</u>	<u>298,747.42</u>
Total comprehensive income for the year	-	16,506.29	16,506.29
Balance at 30 November 2010	<u>112,413.00</u>	<u>202,840.71</u>	<u>315,253.71</u>

The accompanying notes form part of these financial statements.
This report is to be read in conjunction with the attached audit report.

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
A.B.N. 82 193 025 602

STATEMENT OF CASH FLOWS
AS AT 30TH NOVEMBER 2010

	Note	2010 \$	2009 \$
Cash flows from operating activities			
Receipts from customers		171,318.66	214,636.30
Payments to suppliers		(144,453.32)	(204,401.28)
		26,865.34	10,235.02
Interest received		7,308.09	17,190.96
Other revenue		7,900.00	540.73
Net cash provided by operating activities	12	42,073.43	27,966.71
Cash flows from investing activities			
Payments for property, plant and equipment		-	-
Proceeds from sale of property, plant and equipment		-	-
Net cash provided by / (used in) investing activities		-	-
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment for borrowings		-	-
Net cash provided by / (used in) financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		42,073.43	27,966.71
Cash and cash equivalents at the beginning of the financial year		272,714.50	244,747.79
Cash and cash equivalents at the end of the financial year		314,787.93	272,714.50

The accompanying notes form part of these financial statements.

This report is to be read in conjunction with the attached audit report.

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
A.B.N. 82 193 025 602

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH NOVEMBER 2010

1 Significant Accounting Policies

This financial report is a general purpose financial report prepared in order to satisfy the financial report preparation requirements of the Fair Work (Registered Organisations) Act. The committee has determined that the company is a reporting entity.

The Shearing Contractors Association of Australia is an Association, incorporated and domiciled in Australia.

The report has been prepared in accordance with the requirements of the Fair Work (Registered Organisations) Act, and the following applicable Accounting Standards and Urgent Issues Group Consensus Views:

AASB 110: The Balance Sheet Date
AASB 1031: Materiality
AASB 112: Income Taxes

New, revised or amending Standards and Interpretations

AASB 101 Presentation of Financial Statements

The company has applied the revised AASB 101 and now presents a statement of comprehensive income, which incorporates the income statement and all non-owner changes in equity. As a result, the company now presents all owner changes in the statement of changes in equity. The balance sheet is now referred to as the statement of financial position. There is a requirement to present a third statement of financial position if there is restatement of comparatives through either a correction of error, change in accounting policy or a reclassification. The cash flow statement is now referred to as the statement of cash flows.

No other applicable Accounting Standards, Urgent Issues Group Consensus Views or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The report is also prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

Income Tax

The association adopts the liability method of tax-effect accounting whereby the income tax expense shown in the income and expenditure statement is based on the operating profit before income tax adjusted for any permanent differences.

The Association is a tax exempt organisation in accordance with the Income Tax Assessment Act.

These notes are to be read in conjunction with the attached audit report.

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
A.B.N. 82 193 025 602

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH NOVEMBER 2010

	2010 \$	2009 \$
2 Revenue		
<i>Sales revenue</i>		
Sales of merchandise	73,064.58	82,157.34
	<u>73,064.58</u>	<u>82,157.34</u>
<i>Other revenue</i>		
Interest received	7,308.09	17,190.96
Members subscriptions	71,693.10	64,391.36
Work cover grant	-	-
Projects	6,644.83	81,560.29
Sponsorships	3,000.00	-
AGM income	-	-
Sundry income	-	0.73
	<u>88,646.02</u>	<u>163,143.34</u>
Revenue	<u>161,710.60</u>	<u>245,300.68</u>
3 Other income		
Recoveries	4,900.00	540.00
	<u>4,900.00</u>	<u>540.00</u>
Other income	4,900.00	540.00
	<u>4,900.00</u>	<u>540.00</u>
4 Income tax expense		
Income tax expense attribute to:		
Operating profit before income tax	-	-
	<u>-</u>	<u>-</u>
5 Reserves		
General reserve	112,413.00	112,413.00
	<u>112,413.00</u>	<u>112,413.00</u>
6 Equity – retained profits		
Retained profits at the beginning of the financial year	186,334.42	143,183.73
Profit after income tax expense for the year	16,506.29	43,150.69
	<u>202,840.71</u>	<u>186,334.42</u>
Retained profits at the end of the financial year	<u>202,840.71</u>	<u>186,334.42</u>
7 Current assets - cash and cash equivalents		
Cash at bank	67,858.31	35,553.31
Term deposit	244,327.52	237,161.19
Undeposited funds	2,602.10	-
	<u>314,787.93</u>	<u>272,714.50</u>

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
A.B.N. 82 193 025 602

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH NOVEMBER 2010

	2010 \$	2009 \$
8 Current assets - trade and other receivables		
Trade debtors	21,076.54	40,992.69
Sundry debtors	-	-
Other debtors	-	-
Loans – unsecured	-	-
	<u>21,076.54</u>	<u>40,992.69</u>
9 Current assets – inventories		
Stock on hand	4,878.61	12,901.90
	<u>4,878.61</u>	<u>12,901.90</u>
10 Current assets - other		
Prepayments	-	-
	<u>-</u>	<u>-</u>
11 Current liabilities - trade and other payables		
Trade payables	24,593.54	26,589.97
Creditors and accruals	363.64	363.64
GST payable	532.19	908.06
	<u>25,489.37</u>	<u>27,861.67</u>
12 Reconciliation of profit after income tax to net cash From operating activities		
Profit after income tax expense for the year	16,506.29	43,150.69
Adjustments for:		
Depreciation and amortisation	-	-
Changes in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	19,916.15	(13,472.69)
Decrease/(increase) in inventories	8,023.29	24,341.21
(Increase)/decrease in other operating assets	-	-
(Decrease)/increase in trade and other payables	(2,372.30)	(26,052.50)
	<u>42,073.43</u>	<u>27,966.71</u>