

21 July 2015

Mr Jason Letchford
Secretary
The Shearing Contractors' Association of Australia,
scaa@scaa.org.au



CC: Page Harrison & Co via email: jake@pageharrison.com.au

Dear Mr Letchford,

**The Shearing Contractors' Association of Australia
Financial Report for the year ended 30 November 2014 - [FR2014/378]**

I acknowledge receipt of the financial report of the Shearing Contractors' Association of Australia. The documents were lodged with the Fair Work Commission on 16 May 2015. Further documents were received by the Commission on 2 and 17 July 2015.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

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

Please note that the financial report for the year ending 30 November 2015 may be subject to an advanced compliance review.

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

Designated Officer's Certificate

A further designated officer's certificate was received from the organisation on 2 July 2015. The designated officer's certificate clarified that the organisation presented its reports to a General Meeting of members on 14 May 2015. Consequently, it seems the report was lodged with the Commission within 14 days of the section 266 meeting.

The designated officer's certificate states that the full report was provided to members on 14 May 2015, the same day as the general meeting of members. Correspondence received from the organisation indicates that the reports were not sent because the organisation believed that they could not be sent until they were signed off by the AGM.

Under section 265(5)(a) of the RO Act, where the report is presented to a general meeting of members, the report must be provided to members at least 21 days before the meeting. If the reports are presented to a second committee of management meeting instead of the AGM, the reports must be provided to members within 5 months of the end of the financial year.

If the organisation is not able to comply with the legislative timeframes, please ensure that a request for an extension of time, signed by an officer, is made before the mandated deadline.

Please note that subsection 265(5) is a civil penalty provision and future failure to meet this timelines may result in an inquiry into the organisation and the General Manager of the FWC may apply under s.310(1) of the RO Act to the Federal Court of Australia for a pecuniary penalty order

to be imposed on your organisation and, potentially, any officer whose conduct led to the non-compliance.

I also note that documents signed by officers must be dated with the day that they are signed by the officer.

Please ensure that the financial report for next year includes a designated officers certificate that is dated and signed after the final meeting and provision of the financial return to members.

Operating Report

A further operating report was received from the organisation on 2 July 2015. This second operating report met most of the requirements of the legislation and regulations. I note that it did not include the length of service of the members of the Committee of Management however this information was largely presented in the original Operating Report.

Please ensure that next year's financial return includes an Operating Report that meets the requirements of the legislation.

Secretary's Remuneration

I note the explanation provided that the Secretary is not an employee of the organisation but has remuneration paid by invoice to a trust. This situation does explain why there are no employee expenses within the report. However the situation outlined would seem to require a Related Party Transaction Note. There is currently no related party transaction note within the report.

It would appear that the secretary is a member of the Key Management Personnel of the organisation. As such, compensation paid for the secretary should likely appear in either a related party transaction note as payments made to an entity under the control of a member of the Key Management Personnel or a Key Management Personnel note. I note that the definition of key management personnel in AASB 124 does not require that the person is an employee.

Please ensure that next year's financial return includes a related party note, which covers transactions to related parties and key management personnel.

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](#).

If you have any queries regarding this letter, please contact me on (03) 8661 7974 or via email at catherine.bebbington@fwc.gov.au.

Yours sincerely



CATHERINE BEBBINGTON
Regulatory Compliance Branch

FAIR WORK COMMISSION

Tel: 03 8661 7974

Fax: 03 9655 0410

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17/07/2015

CATHERINE BEBBINGTON

Regulatory Compliance Branch

FAIR WORK COMMISSION

11 Exhibition Street, Melbourne Victoria 3000
GPO Box 1994, Melbourne Victoria 3001

Ref: FR2014/378 - SCAA Financial Report NOT FILED

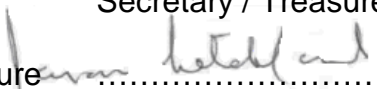
Dear Catherine

The reason the reports were provided to members outside the 5 month timeframe was because the SCAA were of the impression that we had to wait until the reports were presented at the AGM before we could sign off on them. We are a rural based membership with one meeting a year. The one meeting was always scheduled to be held as part of the ShearHarvest Trans-tasman conference which was held in Queenstown, NZ, a time that seasonally suited both the Australian and NZ industries. All that said, the financials were reviewed and discussed by the Committee of management on the February Conference Call.

The SCAA have no employees. With regard to the Secretary's Remuneration, it is paid via tax invoice issued by the Secretary, being Ellamay Trust, ABN: 47 055 064 581.

Name: Jason Letchford

Title Secretary / Treasurer

Signature 

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA

OPERATING REPORT FOR THE YEAR ENDED 30TH NOVEMBER 2014

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.

Operating Result

The profit after providing for income tax amounted to \$1,844.64 (2013: loss \$5,615.79)

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

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA

OPERATING REPORT FOR THE YEAR ENDED 30TH NOVEMBER 2014 (Continued)

Number of Members

The number of members who were recorded at the end of the financial year was 186.

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
David Kemp	Vice President
Warren Kimber	Vice President
Frank Sutherland	Trustee
Noel Canty	Trustee
Trevor King	Committee of Management Member
Andrew Morrison	Committee of Management Member
Steven Rigby	Committee of Management Member
Lincoln Munroe	Committee of Management Member
Jamie Tippet	Committee of Management Member
Michael Jarman	Committee of Management Member
Jason Letchford	Secretary / Treasurer

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

Name: Jason Letchford

Title Secretary / Treasurer

Signature 

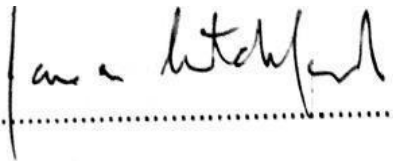
THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
A.B.N. 82 193 025 602

DESIGNATED OFFICER'S CERTIFICATE
s268 Fair Work (Registered Organisations) Act 2009

I Jason Letchford being the treasurer of the Shearing Contractors Association of Australia certify:

- that the documents lodged herewith are copies of the full report, referred to in s268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report, was provided to members of the reporting unit on 14th May, 2015; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 14th May 2015 *in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.*

Signature of prescribed designated officer:


.....

Name of prescribed designated officer:

JASON LETCHFORD
.....

Title of prescribed designated officer:

SECRETARY
.....

Date: 15th May 2015

26 June 2015

Mr Jason Letchford
Secretary
The Shearing Contractors' Association of Australia
scaa@scaa.org.au



CC: Jason Rochaix, Page Harrison & Co, jake@pageharrison.com.au

Dear Mr Letchford,

**The Shearing Contractors' Association of Australia
Financial Report for the year ended 30 November 2014 - [FR2014/378]**

I acknowledge receipt of the financial report of the Shearing Contractors' Association of Australia. The documents were lodged with the Fair Work Commission on 16 May 2015.

The financial report has not been filed. Further information is required before the report can be lodged. The following concerns were raised in last year's filing letter and consequently the current report is not able to be filed until they are addressed.

Operating Report

The filing letter for last year's financial return identified that the Operating Report did not meet the requirements of the legislation. This year's operating report does not contain the following information:

- The number of members in the organisation;
- The number of employees (expressed as a full time equivalent figure);
- The period of time each Committee of Management Member held office (resignations do not identify duration of service);
- Officers or members who are trustees or directors of trustees of superannuation entities because of their membership or office (or a statement that there are none);
- A brief statement of non-financial results of principle activities;
- A statement whether there have been significant changes in the financial affairs of the organisation;
- The details of the rights of members to resign.

Please supply this information.

Legislative Timelines

Report to be provided to members within 5 months of the end of the financial year

An organisation that presents its financial report to a second committee of management meeting must have a rule that allows 5% or less of its members to summon a General Meeting to consider the reports. It is unclear that the organisation has a rule that satisfies this requirement.

Further, the reports must be provided to members within 5 months of the end of the financial year. This deadline was explained in the letter filing last year's financial return. The organisation's Designated Officers Certificated, signed on the 17th February, states that the organisation provided its reports to the members on 14 May 2015. A Designated Officers Certificate must be signed *after* the dates contained within it so that the officer can attest that the events *did* occur.

Please provide a second Designated Officer's Certificate confirming the date that the reports were provided to members. Further, if the date was after 30 April, please provide an explanation as to why the organisation provided its reports to members outside of the mandatory 5 month legislative timeframe. I note that the Designated Officers Certificate supplied with the current report has an incorrect name for the organisation. Please ensure that the new Designated Officer's Certificate correctly identifies the organisation.

Report to be lodged with the Commission within 14 days of the meeting

The legislation requires that a financial report is lodged with the Commission within 14 days of the meeting. The Designated Officers Certificate states that the report was presented to a Committee of Management meeting on 17 February 2015, but the organisation did not lodge the report with the Commission until 16 May 2015. Please provide an explanation as to why the report was lodged substantially outside of the 14 day deadline mandated by the legislation.

Key Management Personnel Note

Australian Accounting Standard *AASB 124 Related Party Disclosures* paragraph 17 requires the General Purpose Financial Report to disclose within the statements or the notes compensation paid to key management personnel.

This normally includes a listing of the key management personnel for the organisation, the total amount of compensation paid to all key management personnel, and then totals for each of the following categories:

- Short term employee benefits
- Post employment benefits
- Other long term employee benefits
- Termination benefits

The definition for these categories can be found within accounting standard *AASB 119: Employee Benefits*.

In note 15(m) the organisation states that there are no employees. However, the Statement of Comprehensive Income lists the "Secretary's Remuneration" as an expense of \$40,700.00. Please provide a key management personnel note and an explanation as to how the organisation has remuneration expenses but no breakdown of employee expenses.

Should you wish to discuss the matters raised in this letter, or if you require further information on the requirements of the Act, I may be contacted on 03 8661 7974 or by email at catherine.bebbington@fwc.gov.au.

Yours sincerely



CATHERINE BEBBINGTON
Regulatory Compliance Branch

FAIR WORK COMMISSION

Tel: 03 8661 7974

Fax: 03 9655 0410

catherine.bebbington@fwc.gov.au

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Internet : www.fwc.gov.au

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA

A.B.N. 82 193 025 602

**FINANCIAL REPORT
FOR THE YEAR ENDED
30TH NOVEMBER 2014**

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 AND TO
THE GENERAL MANAGER, FAIR WORK COMMISSION FOR THE YEAR ENDED 30 NOVEMBER 2014**

Report on the Financial Report

We have audited the accompanying financial report of The Shearing Contractors Association of Australia which comprises the statement of financial position as at 30 November 2014 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the statement by committee members for the year ended 30 November 2014.

Committees' 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 Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Associates Incorporation Act NSW 2009* and for such internal control as the committee determines necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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. These Auditing 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.

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion the financial report of The Shearing Contractors Association of Australia is in accordance with the *Associations Incorporation Act NSW 2009* including:

- (i) giving a true and fair view of the Association's financial position as at 30 November 2014 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Association Incorporation Act NSW 2009*.

**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 AND TO
THE GENERAL MANAGER, FAIR WORK COMMISSION FOR THE YEAR ENDED 30 NOVEMBER 2014**

Report on Other Legal and Regulatory Requirements

In addition, our audit report has also been prepared for the members of the Association in accordance with section 257(5) and section 255 of the *Fair Work (Registered Organisations) Act 2009*. Accordingly we have performed additional work beyond that which is performed in our capacity as auditors pursuant to the *Incorporated Associations Act 2009*. These additional procedures included obtaining an understanding of the internal control structure and associated record keeping and other requirements pursuant to the *Fair Work (Registered Organisations) Act 2009*.

The performance of our statutory audit included a review of internal controls for the purpose of determining the appropriate audit procedures to enable an opinion to be expressed on the financial report. This review is not a comprehensive review of all those systems or of the system taken as a whole and is not designed to uncover all weaknesses in those systems.

The audit opinion expressed in this report pursuant to the *Fair Work (Registered Organisations) Act 2009* has been formed on the above basis.

Auditor's Opinion

Pursuant to the requirements of section 257(5) and section 255 of the *Fair Work (Registered Organisations) Act 2009* we report that, in our opinion:

- a) the financial report is presented fairly in accordance with Australian Accounting Standards (including Australian Accounting Interpretations); and
- b) the Association maintained satisfactory accounting records in relation to the year ended 30 November 2014 including records of the sources and nature of income (including income from members) and records of the nature and purposes of the expenditure of the Association and
- c) we were provided with all the information and explanations as required from the officers or employees of the Association.

Auditor's Declaration

Pursuant to the requirements of section 255 of the *Fair Work (Registered Organisations) Act 2009*, I declare that:

- a) I am an approved auditor;
- b) I am a member of The Institute of Chartered Accountants in Australia;
- c) I hold a current Public Practice Certificate; and
- d) Management's use of the going concern basis of accounting in the preparation of the Association's financial statements is appropriate.

Page Harrison & Co
Chartered Accountants



JASON ROCHAIX
Partner
Registered Company Auditor
Member of the Institute of Chartered Accountants in Australia

17th February 2015

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

OPERATING REPORT

Your committee members submit the financial report of The Shearing Contractors Association of Australia for the financial year ended 30 November 2014.

COMMITTEE MEMBERS

The names of committee members throughout the year and at the date of this report, unless otherwise stated are:

Ivan Letchford
Frank Sutherland
Noel Canty
Trevor King
Lincoln Munroe (joined 2014/15)
Michael Schofield
Steven Rigby

Jamie Tippet (joined 2014/15)
Warren Kimber
David Kemp
Damian Raudino
Jason Letchford
Emma Brody (resigned)
Michael Jarmon (resigned)

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

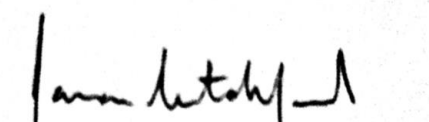
No significant change in the nature of these activities occurred during the year.

OPERATING RESULT

The profit after providing for income tax amounted to \$1,844.64 (2013: profit \$5,615.79).

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


.....
Michael Schofield


.....
Jason Letchford

Dated this 5th day of February 2015

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

COMMITTEE OF MANAGEMENT STATEMENT


On 17th February 2015 the Committee of Management of The Shearing Contractors Association of Australia passed the following resolution to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30th November 2014:

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 the year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with 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) No information has been sought in any request of a member of the reporting unit or the General Manager of Fair Work Australia under section 272 of the RO Act and furnished to the member or General Manager; and
 - (vi) No orders have been made by Fair Work Australia under section 273 of the RO Act during the period.

For Committee of Management:

Title of Office held: President

Signature: 

Date: 17th February 2015

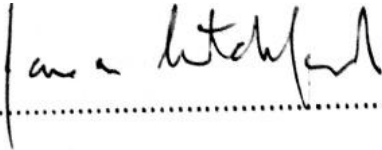
THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
A.B.N. 82 193 025 602

DESIGNATED OFFICER'S CERTIFICATE
s268 Fair Work (Registered Organisations) Act 2009

I Jason Letchford being the treasurer of the Shearing Contractors of Australia certify:

- that the documents lodged herewith are copies of the full report, referred to in s268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report, was provided to members of the reporting unit on 14th May, 2015; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 17th February 2015 *in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.*

Signature of prescribed designated officer:


.....

Name of prescribed designated officer:

JASON LETCHFORD
.....

Title of prescribed designated officer:

SECRETARY
.....

Dated: 17th February 2015

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH NOVEMBER 2014**

	Note	2014 \$	2013 \$
Revenue	3	230,773.75	212,327.27
Other income	4	-	-
Expenses			
Advertising & promotion		(250.00)	(275.00)
Auditor's remuneration		(4,000.00)	(8,000.00)
Bank charges		(838.06)	(836.91)
Consultants and contractor fees		(10,645.69)	(6,020.46)
Freight		-	-
Insurance		(3,463.32)	(3,395.95)
Merchandise purchases		(124,615.46)	(95,954.83)
Presidents honorarium		(4,500.00)	(4,250.00)
Printing, postage & stationery		(7,420.81)	(14,703.76)
Rent		(7,255.00)	(6,995.00)
Secretary's remuneration		(40,700.00)	(39,500.00)
Telephone & facsimile		(3,483.23)	(5,108.36)
Travelling and accommodation expenses		(17,075.90)	(11,634.58)
Work cover project expenses		(4,681.64)	(10,036.63)
Profit / (Loss) before income tax expense		1,844.64	5,615.79
Income tax expense	5	-	-
Profit / (Loss) before income tax expense		1,844.64	5,615.79
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		1,844.64	5,615.79

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 2014

	Note	2014 \$	2013 \$
<hr/>			
Current Assets			
Cash and cash equivalents	8	341,173.61	347,746.32
Trade and other receivables	9	14,058.48	9,925.80
Inventories	10	1,838.16	2,640.86
Other	11	-	-
		<hr/>	<hr/>
Total Current Assets		357,070.25	360,312.98
		<hr/>	<hr/>
Total Assets		357,070.25	360,312.98
		<hr/>	<hr/>
Current Liabilities			
Trade and other payables	12	13,718.89	18,806.26
		<hr/>	<hr/>
Total Current Liabilities		13,718.89	18,806.26
		<hr/>	<hr/>
Total Liabilities		13,719.89	18,806.26
		<hr/>	<hr/>
Net Assets		343,351.36	341,506.72
		<hr/>	<hr/>
Equity			
Reserves	6	112,413.00	112,413.00
Retained profits	7	230,938.36	229,093.72
		<hr/>	<hr/>
Total equity		343,351.36	341,506.72
		<hr/>	<hr/>

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 2014

	Reserves \$	Retained Profit \$	Total Equity \$
Balance at 1 December 2012	112,413.00	223,477.93	335,890.93
Total comprehensive income for the year	-	5,615.79	5,615.79
Prior year adjustment	-	-	-
Balance at 30 November 2013	112,413.00	229,093.72	341,506.72
Total comprehensive income for the year	-	1,844.64	1,844.64
Balance at 30 November 2014	112,413.00	230,938.36	343,351.36

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
FOR THE YEAR ENDED 30TH NOVEMBER 2014

	Note	2014 \$	2013 \$
Cash flows from operating activities			
Receipts from customers		214,942.95	206,025.28
Payments to suppliers		(233,213.78)	(194,875.95)
		(18,270.83)	11,149.33
Interest received		11,351.24	17,659.39
Other revenue		346.88	6,866.65
Net cash (used) / provided by operating activities	13	(6,572.71)	35,675.37
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 (decrease) / increase in cash and cash equivalents		(6,572.71)	35,675.37
Cash and cash equivalents at the beginning of the financial year		347,746.32	312,070.95
Cash and cash equivalents at the end of the financial year		341,173.61	347,746.32

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 2014

1.1 Basis of Preparation of the Financial Statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, The Shearing Contractors Association of Australia is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

1.2 Comparative amounts

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

1.3 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

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

The accounting policies adopted are consistent with those of the previous financial year.

1.4 Revenue

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

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

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amount due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised on an accrual basis using the effective interest method.

1.5 Grants

Grant revenue is recognised in the statement of comprehensive income when the association obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the association and the amount of the grant can be measured reliably.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH NOVEMBER 2014

1.5 Grants (continued)

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the association incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

1.6 Gains

Sale of Assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

1.7 Cash

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

1.8 Taxation

The Shearing Contractors Association of Australia is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH NOVEMBER 2014**

	2014 \$	2013 \$
2 Events after the reporting period		
There were no events that occurred after 30 November 2014, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of The Shearing Contractors Association of Australia.		
3 Revenue		
<i>Sales revenue</i>		
Sales of merchandise	143,601.72	111,517.14
	<u>143,601.72</u>	<u>111,517.14</u>
<i>Other revenue</i>		
Interest received	11,351.24	17,659.39
Members subscriptions	75,473.91	76,284.09
Work cover grant	-	-
Projects	-	-
Sponsorships	250.00	1,750.00
Sundry income	96.88	5,116.65
	<u>87,172.03</u>	<u>100,810.13</u>
Revenue	<u>230,773.75</u>	<u>212,327.27</u>
4 Other income		
Recoveries	-	-
	<u>-</u>	<u>-</u>
Other income	-	-
	<u>-</u>	<u>-</u>
5 Income tax expense		
Income tax expense attribute to:		
Operating profit before income tax	-	-
	<u>-</u>	<u>-</u>
6 Reserves		
General reserve	112,413.00	112,413.00
	<u>112,413.00</u>	<u>112,413.00</u>
7 Equity – retained profits		
Retained profits at the beginning of the financial year	229,093.72	223,477.93
Prior year adjustment	-	-
Profit after income tax expense for the year	1,844.64	5,615.79
	<u>230,938.36</u>	<u>229,093.72</u>
Retained profits at the end of the financial year	<u>230,938.36</u>	<u>229,093.72</u>
8 Current assets - cash and cash equivalents		
Cash at bank	67,840.07	83,323.76
Term deposit	273,333.54	264,422.56
Undeposited funds	-	-
	<u>341,173.61</u>	<u>347,746.32</u>
	<u>341,173.61</u>	<u>347,746.32</u>

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A.B.N. 82 193 025 602

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH NOVEMBER 2014**

	2014 \$	2013 \$
9 Current assets - trade and other receivables		
Trade debtors	14,058.48	9,925.80
Sundry debtors	-	-
	<u>14,058.48</u>	<u>9,925.80</u>
10 Current assets – inventories		
Stock on hand	<u>1,838.16</u>	<u>2,640.86</u>
11 Current assets - other		
Prepayments	<u>-</u>	<u>-</u>
12 Current liabilities - trade and other payables		
Trade payables	16,177.68	23,423.95
Creditors and accruals	-	-
GST payable	(2,458.79)	(4,617.69)
	<u>13,718.89</u>	<u>18,806.26</u>
13 Reconciliation of profit after income tax to net cash From operating activities		
Profit / (Loss) after income tax expense for the year	1,844.64	5,615.79
Adjustments for:		
Depreciation and amortisation	-	-
Prior year adjustment	-	-
Changes in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	(4,132.68)	18,224.05
(Increase)/decrease in inventories	802.70	2,103.85
(Increase)/decrease in other operating assets	-	-
Increase/(decrease) in trade and other payables	(5,087.37)	9,731.68
Net cash from operating activities	<u>(6,572.71)</u>	<u>35,675.37</u>

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH NOVEMBER 2014

14 Members' access to financial records

Notice to Members and/or General Manager

A Notice is hereby given that prescribed information is available to members on request in accordance with s272 of the Fair Work (Registered Organisations) Act 2009:

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)

15 Supplementary operating report for the year ended 30 November 2014

In accordance with the requirements of S253 of the Fair Work (Registered Organisations) Act 2009 and the Reporting Guidelines, the Organisation makes the following disclosures for the year ended 30 November 2014 in respect of the Association:

- a. Pursuant to section 254 (2)(d) of the Fair Work Registered Organisations) Act 2009, no member holds office including that of trustee or director, in any superannuation schemes;
- b. Pursuant to section 37 of Reporting Guidelines applying for the purpose of section 253 of the RO Act 2009, no officer and employee are directors of a company or a member of a board;
- c. The organisation has prepared the financial statements on a going concern basis and the Association was not reliant on the financial support of another reporting unit;
- d. The Association did not provide financial support to ensure another reporting unit has the ability to continue as a going concern;
- e. The Association did not acquire an asset or a liability during the financial year as a result of amalgamation, a restructure of the association, a determination by the General Manager under subsection 245(1) of the RO Act of an alternative reporting structure for the Organisation or, a revocation by the General Manager under subsection 249(1) of the RO Act of a certificate issued to the Organisation under subsection 245(1); or as part of a business combination;
- f. No other funds or reserves other than that disclosed in the Statement of Changes in Equity were set up by the Association;
- g. The Association did not receive any capitation fee from another reporting unit of the organisation;
- h. The Association did not receive any compulsory levies or as appeals for voluntary contributions from members;
- i. The Association did not receive any donations or grants;
- j. The Association did not receive any other financial support from another reporting unit of the organisation.
- k. The Association did not pay to another reporting unit of the organisation a capitation fee

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH NOVEMBER 2014

15 Supplementary operating report for the year ended 30 November 2014 (continued)

- l. No compulsory levies have been imposed on the Association;
- m. No information is provided in respect of salary and wages in accordance with Reporting Guideline 17(f) and 17(g) given the Association does not have any employees.
- n. No penalties were imposed on the Association under the RO Act with respect to conduct of the reporting unit;
- o. The Association did not have any amount receivable from or payable to other reporting unit of the organisation;
- p. The Association did not have any amount payable to employers as consideration for the employers making payroll deductions of membership subscriptions;
- q. The Association did not have any amount payable in respect of legal costs and other expenses related to litigation or other legal matters;
- r. The Association did not make any provisions for annual leave, long service leave, separation, redundancy and other provisions in respect of employees (other than holders of offices) of the reporting unit;
- s. No other funds or reserves other than that disclosed in the Statement of Changes in Equity were set up by the Association;
- t. The Association did not engage another entity to administer its financial affairs;
- u. The Association did not receive from or pay to another reporting unit of the organisation a cash flow;
- v. In accordance with Reporting Guideline 33, the Association did not involve in recovery of wages activities in the reporting period.

Signed



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Jason Letchford
Secretary
The Shearing Contractors Association of Australia

17th February 2015