



**Australian Government**  
**Registered Organisations Commission**

10 August 2018

Mr Jason Letchford  
Secretary  
Shearing Contractors' Association of Australia

By e-mail: [scaa@scaa.org.au](mailto:scaa@scaa.org.au)  
c.c. [lisa@scaa.org.au](mailto:lisa@scaa.org.au)

Dear Mr Letchford

**Shearing Contractors' Association of Australia**  
**Financial Report for the year ended 30 November 2017 - FR2017/289**

I acknowledge receipt of the amended financial report for the year ended 30 November 2017 for the Shearing Contractors' Association of Australia. The financial report was lodged with the Registered Organisations Commission on 8 August 2018.

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

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 (03) 9603 0707 or by email at [ken.morgan@roc.gov.au](mailto:ken.morgan@roc.gov.au)

Yours faithfully

A handwritten signature in black ink, appearing to read 'K. Morgan'.

**KEN MORGAN**  
**Financial Reporting Advisor**  
**Registered Organisations Commission**

**THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA**

**A.B.N. 82 193 025 602**

**FINANCIAL REPORT  
FOR THE YEAR ENDED  
30TH NOVEMBER 2017**

**THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA**

**A.B.N. 82 193 025 602**

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# Page, Harrison & Co

CHARTERED • ACCOUNTANTS

## INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA FOR THE YEAR ENDED 30 NOVEMBER 2017

### Report on the Audit of the Financial Report

#### Opinion

I have audited the financial report of The Shearing Contractors Association of Australia (the Reporting Unit) which comprises the statement of financial position as at 30 November 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 November 2017, notes to the financial statements, including a summary of significant accounting policies; and Committee of Management Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of The Shearing Contractors Association of Australia, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

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

#### Basis for Opinion

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

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

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

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

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

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Liability limited by a scheme approved under Professional Standards Legislation

## **Information Other than the Financial Report and Auditor's Report Thereon continued...**

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

## **Responsibilities of Committee of Management for the Financial Report**

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

## **Auditor's Responsibilities for the Audit of the Financial Report**

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

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

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

## **Auditor's Responsibilities for the Audit of the Financial Report continued...**

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

I declare that I am an approved auditor, a member of Chartered Accountants Australia & New Zealand and hold a current Public Practice Certificate.

## **Report on the Recovery of Wages Activity financial report**

### **Opinion on the recovery of wages activity financial report**

The scope of my work did not extend to the recovery of wages activity as the Registered Organisation has not undertaken any recovery of wages activity during the reporting period as referred to in the Committee of Management Statement. Therefore, no opinion can be provided in relation to recovery of wages activity.

Page Harrison & Co  
Chartered Accountants



**JASON ROCHAIX**  
Director

Sydney  
6<sup>th</sup> July, 2018

Registration number (as required by the RO Commissioner under the RO Act): AA2017/40

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

*s268 Fair Work (Registered Organisations) Act 2009*

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**

Certificate for the year ended 30 November 2017

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

- that the documents lodged herewith are a copy of the full report for the *Shearing Contractors Association of Australia* for the period ended 30 November 2017 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 9<sup>th</sup> July, 2018; and
- that the full report was presented to a general meeting of members on 9<sup>th</sup> July, 2018 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 / Treasurer

Dated: 10th July, 2018 (*note: to be dated after the AGM*)

**OPERATING REPORT**

*for the year ended 30 November 2017*

The committee presents its report on the reporting unit for the financial year ended 30 November 2017.

**Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year**

**Review of 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 in 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.

**Officers or members who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee**

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.

**Number of members**

The number of members who were recorded at the end of the financial year was 176.

**Number of employees**


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



**Names of Committee of Management members and period positions held during the financial year**

The persons who held office as members of the Committee of Management of the Association during the reporting period (unless otherwise stated):

Michael Schofield	President	
Noel Canty	Vice President	Resigned 25/5/2017
Warren Kimber	Vice President	
David Kemp	Vice President	Appointed 25/5/2017
Trevor King	Trustee	Resigned 25/5/2017
Steven Rigby	Trustee	Resigned 25/5/2017
Frank Sutherland	Trustee	Appointed 25/5/2017
Noel Canty	Trustee	Appointed 25/5/2017
David Kemp	Committee of Management Member	Resigned 25/5/2017
Jamie Tippet	Committee of Management Member	
Lincoln Munroe	Committee of Management Member	
Frank Sutherland	Committee of Management Member	Resigned 25/5/2017
Andrew Morrison	Committee of Management Member	
Bryan Hales	Committee of Management Member	Resigned 25/5/2017
David Kemp	Committee of Management Member	Resigned 25/5/2017
Michael Jarman	Committee of Management Member	Appointed 25/5/2017
Trevor King	Committee of Management Member	Appointed 25/5/2017
Steven Rigby	Committee of Management Member	Appointed 25/5/2017
Jason Letchford	Secretary / Treasurer	

Signature of designated officer: 

Name and title of designated officer: Jason Letchford (Secretary / Treasurer)

Dated: 5<sup>th</sup> July, 2018

**THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA**

**A.B.N. 82 193 025 602**

**COMMITTEE OF MANAGEMENT STATEMENT**

***for the year ended 30 November 2017***

On the 10<sup>th</sup> February 2018 the Committee of Management of the Association passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 November 2017:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of 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
  - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
  - (v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
  - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period.

This declaration is made in accordance with a resolution of the Committee of Management.

Signature of designated officer:



Name and title of designated officer: Jason Letchford (Secretary / Treasurer)

Dated this day: 5<sup>th</sup> July, 2018

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA

A.B.N. 82 193 025 602

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 November 2017

	Notes	2017 \$	2016 \$
<b>Revenue</b>			
Sales of merchandise		115,277.59	121,653.16
Membership subscription		76,159.27	78,279.82
Interest	3A	5,786.41	6,214.87
Other revenue	3C	4,163.64	4,545.45
<b>Total revenue</b>		<u>201,386.91</u>	<u>210,693.30</u>
<b>Other Income</b>			
Grants and/or donations	3B	-	-
<b>Total Income</b>		<u>201,386.91</u>	<u>210,693.30</u>
<b>Expenses</b>			
Administration expenses	4A	(207,491.94)	(200,646.39)
Grants or donations	4B	-	-
Legal costs	4C	-	-
Audit fees	10	(4,500.00)	(6,000.00)
Other expenses	4D	-	-
<b>Total expenses</b>		<u>(211,991.94)</u>	<u>(206,646.39)</u>
<b>Total comprehensive income for the year</b>		<u>(10,605.03)</u>	<u>4,046.91</u>

The above statement should be read in conjunction with the notes.

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA

A.B.N. 82 193 025 602

STATEMENT OF FINANCIAL POSITION

as at 30 November 2017

	Notes	2017 \$	2016 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5A	311,589.26	328,841.37
Trade and other receivables	5B	13,201.85	14,651.19
Inventories	5C	1,950.13	1,317.03
Other current assets	5C	6,477.27	-
<b>Total current assets</b>		<u>333,218.51</u>	<u>344,809.59</u>
<b>Total assets</b>		<u>333,218.51</u>	<u>344,809.59</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade payables	6A	-	-
Other payables	6B	2,415.40	3,401.35
<b>Total current liabilities</b>		<u>2,415.40</u>	<u>3,401.35</u>
<b>Total liabilities</b>		<u>2,415.40</u>	<u>3,401.35</u>
<b>Net assets</b>		<u>330,803.11</u>	<u>341,408.14</u>
<b>EQUITY</b>			
General funds		112,413.00	112,413.00
Retained earnings (accumulated deficit)		218,390.11	228,995.14
<b>Total equity</b>		<u>330,803.11</u>	<u>341,408.14</u>

The above statement should be read in conjunction with the notes.

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA

A.B.N. 82 193 025 602

STATEMENT OF CHANGES IN EQUITY

*for the year ended 30 November 2017*

	Notes	General funds \$	Retained earnings \$	Total equity \$
<b>Balance as at 1 December 2015</b>		112,413.00	224,948.23	337,361.23
Profit for the year		-	4,046.91	4,046.91
<b>Closing balance as at 30 November 2016</b>		<b>112,413.00</b>	<b>228,995.14</b>	<b>341,408.14</b>
Profit for the year		-	(10,605.03)	(10,605.03)
<b>Closing balance as at 30 November 2017</b>		<b>112,413.00</b>	<b>218,390.11</b>	<b>330,803.11</b>

The above statement should be read in conjunction with the notes.

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA

A.B.N. 82 193 025 602

STATEMENT OF CASH FLOWS

for the year ended 30 November 2017

	Notes	2017 \$	2016 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Customers		192,886.20	210,851.71
Receipts from other reporting units/controlled entity(s)	7B	-	-
Interest		5,786.41	6,214.87
Other		4,163.64	4,545.45
<b>Cash used</b>			
Suppliers		(220,088.36)	(214,178.02)
Payment to other reporting units/controlled entity(s)	7B	-	-
<b>Net cash from (used by) operating activities</b>	7A	(17,252.11)	7,434.01
<b>Net increase (decrease) in cash held</b>		(17,252.11)	7,434.01
Cash & cash equivalents at the beginning of the reporting period		328,841.37	321,407.36
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	5A	311,589.26	328,841.37

The above statement should be read in conjunction with the notes.

**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

## Note 1 Summary of significant accounting policies

### 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 reporting unit 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 Significant accounting judgements and estimates

There are no accounting assumptions or estimates identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

### 1.4 New, Revised or Amending Accounting Standards and Interpretations Adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2018, and have not been applied in preparing these financial statements. Those which may be relevant to the organisation are set out below. The organisation does not plan to adopt these standards early.

#### **AASB 9 Financial Instruments (2014)**

AASB 9, approved in December 2014, replaces the existing guidance in AASB 139 *Financial Instruments: Recognition and Measurement*. AASB 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments of financial instruments from AASB 139.

AASB 9 is effective for annual reporting periods beginning on or after 1 January 2018. The organisation does not foresee any material impact on its financial statements from the application AASB 9.

#### **AASB 15 Revenue from Contracts with Customers**

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including AASB 118 *Revenue*, AASB 111 *Construction Contracts* and IFRIC 13 *Customer Loyalty Programmes*.

AASB 15 is effective for annual reporting periods beginning on or after 1 January 2018. The organisation is assessing the potential impact on its consolidated financial statements resulting from the application of AASB 15.



## THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA

A.B.N. 82 193 025 602

### **Disclosure initiative (Amendments to AASB 107)**

The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.

The amendments are effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

The application of AASB 107 has no impact on the organisation's financial statements.

### **AASB 16 Leases (applicable to annual reporting periods beginning on or after 1 January 2019).**

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117 : *Leases* and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets;
- depreciation of right-of-use assets in line with AASB 116 : *Property, Plant and Equipment* in profit and loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 : *Accounting Policies, Changes in Accounting Estimates and Errors* or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The organisation does not foresee any material impact on its financial statements from the application of AASB 16.

### **1.5 Acquisition of assets and or liabilities that do not constitute a business combination**

There were no transfers of the net book value of assets and/or liabilities to another reporting unit for no consideration during the financial year under Part 2 of Chapter 3 of the *Fair Work (Registered Organisations) Act 2009/a*.

# THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA

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## 1.6 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 amounts 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.

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

## 1.7 Government grants

Government grants are not recognised until there is reasonable assurance that the reporting unit will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the reporting unit recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the reporting unit should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the reporting unit with no future related costs are recognised in profit or loss in the period in which they become receivable.

## 1.8 Gains

### *Sale of assets*

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

## 1.9 Capitation fees and levies

Capitation fees and levies are recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

## THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA

A.B.N. 82 193 025 602

### 1.10 Leases

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

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

### 1.11 Borrowing costs

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

### 1.12 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 known 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.

### 1.13 Financial instruments

Financial assets and financial liabilities are recognised when a reporting unit entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### 1.14 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets 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. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

## THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA

A.B.N. 82 193 025 602

### ***Fair value through profit or loss***

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; 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 reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement 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 and is included in the 'other gains and losses' line item in the statement of comprehensive income.

### ***Held-to-maturity investments***

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

### ***Available-for-sale***

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss.

Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

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Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

### ***Loan and receivables***

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

### ***Effective interest method***

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

### ***Impairment of financial assets***

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

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the 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.

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When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, 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 that 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 securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

### ***Derecognition of financial assets***

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

## **1.15 Financial Liabilities**

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

### ***Fair value through profit or loss***

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability 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 reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

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Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

### ***Other financial liabilities***

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

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

### ***Derecognition of financial liabilities***

The reporting unit derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

## **1.16 Contingent Liabilities and Contingent Assets**

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

## **1.17 Plant and Equipment**

### ***Depreciation***

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	<b>2017</b>	2016
Plant and equipment	<b>1 to 10 years</b>	1 to 10 years

### ***Derecognition***

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the 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 the profit and loss.

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## 1.18 Impairment for non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the reporting unit were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

## 1.19 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

## 1.20 Taxation

The Shearing Contractors Association of Australia is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 and has no obligation for Fringe Benefits Tax (FBT) as the reporting unit has no employees. However, the Association still has obligation for the 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 financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

## 1.21 Fair value measurement

The reporting unit measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 14C.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the reporting unit. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.



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A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The reporting unit uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the reporting unit determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the reporting unit has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

### 1.22 Going concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal trading activities and the realisation of assets and settlement of liabilities in the normal course of business. The Association's continued existence is ultimately dependent upon future sales of merchandise and member subscriptions.

If the company is unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and in amounts different from those stated in the financial report.

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**Note 2 Events after the reporting period**

There were no events that occurred after 30 November 2017, and/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.

	2017	2016
	\$	\$
<b>Note 3 Income</b>		
<b>Note 3A: Interest</b>		
Deposits	5,786.41	6,214.87
Loans	-	-
<b>Total interest</b>	<u>5,786.41</u>	<u>6,214.87</u>
<b>Note 3B: Grants or donations</b>		
Grants	-	-
Donations	-	-
<b>Total grants or donations</b>	<u>-</u>	<u>-</u>
<b>Note 3C: Other revenue</b>		
Compulsory levies raised	-	-
Sponsorship	4,163.64	4,545.45
<b>Total</b>	<u>4,163.64</u>	<u>4,545.45</u>

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2017	2016
\$	\$

**Note 4 Expenses**

**Note 4A: Administration expenses**

Affiliation fees paid to each entity	-	-
Consideration to employers for payroll deductions*	-	-
Advertising & promotion	1,400.45	828.62
Bank charges	901.89	908.73
Compulsory levies*	-	-
Conference and meeting expenses*	12,452.55	6,300.77
Contractors/consultants	15,637.53	11,850.27
Dues & subscriptions	500.00	-
Fees/allowances - meeting and conferences*	-	-
Insurance	3,553.58	3,308.83
Merchandise purchases	100,065.94	106,128.31
Presidents honorarium	5,000.00	4,750.00
Printing, postage & stationery	4,718.52	5,952.53
Property expenses	8,035.00	7,775.00
Reimbursements	3,527.73	2,600.00
Secretary's remuneration	44,300.00	43,100.00
Telephone & facsimile	1968.75	2,165.47
Work cover project expenses	5,430.00	4,977.86
<b>Total administration expenses</b>	<b>211,991.94</b>	<b>200,646.39</b>

**Note 4B: Grants or donations\***

Grants:

Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-

Donations:

Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-

<b>Total grants or donations</b>	<b>-</b>	<b>-</b>
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\*As required by the Reporting Guidelines. Item to remain even if 'nil'.

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	2017	2016
	\$	\$
<b>Note 4C: Legal costs*</b>		
Litigation	-	-
Other legal matters	-	-
<b>Total legal costs</b>	<b>-</b>	<b>-</b>
<b>Note 4D: Other expenses</b>		
Penalties - via RO Act or RO Regulations*	-	-
<b>Total other expenses</b>	<b>-</b>	<b>-</b>
<b>Note 5 Current Assets</b>		
<b>Note 5A: Cash and Cash Equivalents</b>		
Cash at bank	237,425.10	43,572.27
Cash on hand	-	-
Short term deposits	74,164.16	285,269.10
<b>Total cash and cash equivalents</b>	<b>311,589.26</b>	<b>328,841.37</b>
<b>Note 5B: Trade and Other Receivables</b>		
<b>Receivables from other reporting unit[s]*</b>		
<i>[list name and amount for each other reporting unit]</i>	-	-
<b>Total receivables from other reporting unit[s]</b>	<b>-</b>	<b>-</b>
<b>Other receivables:</b>		
GST receivable from the Australian Taxation Office	7,366.77	6,529.66
Other trade receivables	5,835.08	8,121.53
<b>Total other receivables</b>	<b>13,201.85</b>	<b>14,651.19</b>
<b>Total trade and other receivables (net)</b>	<b>13,201.85</b>	<b>14,651.19</b>
<b>Note 5C: Other Current Assets</b>		
Stock on hand	1,950.13	1,317.03
Prepayments	6,477.27	-
<b>Total other current assets</b>	<b>8,427.40</b>	<b>1,317.03</b>

\*As required by the Reporting Guidelines. Item to remain even if 'nil'.

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	2017	2016
	\$	\$
<b>Note 6 Current Liabilities</b>		
<b>Note 6A: Trade payables</b>		
Trade creditors	-	-
Creditors and accruals	-	-
<b>Subtotal trade creditors</b>	<u>-</u>	<u>-</u>
<b>Payables to other reporting unit[s]*</b> <i>[list name and amount for each reporting unit]</i>	<u>-</u>	<u>-</u>
<b>Subtotal payables to other reporting unit[s]</b>	<u>-</u>	<u>-</u>
<b>Total trade payables</b>	<u>-</u>	<u>-</u>
Settlement is usually made within 30 days.		
<b>Note 6B: Other payables</b>		
Consideration to employers for payroll deductions*	-	-
Legal costs*	-	-
GST payable	2,415.40	3,401.45
<b>Total other payables</b>	<u>2,415.40</u>	<u>3,401.45</u>
Total other payables are expected to be settled in:		
No more than 12 months	2,415.40	3,401.45
More than 12 months	-	-
<b>Total other payables</b>	<u>2,415.40</u>	<u>3,401.45</u>

\*As required by the Reporting Guidelines. Item to remain even if 'nil'.

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	2017	2016
	\$	\$
<b>Note 7 Cash Flow</b>		
<b>Note 7A: Cash Flow Reconciliation</b>		
<b>Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement:</b>		
<b>Cash and cash equivalents as per:</b>		
Cash flow statement	311,589.26	328,841.37
Statement of financial position	311,589.26	328,841.37
<b>Difference</b>	<u>-</u>	<u>-</u>
<b>Reconciliation of profit/(deficit) to net cash from operating activities:</b>		
Profit/(deficit) for the year	(10,605.03)	4,046.91
<b>Changes in assets/liabilities</b>		
(Increase)/decrease in trade and other receivables	1,449.34	10,918.73
(Increase)/decrease in inventories	(633.10)	109.06
(Increase)/decrease in prepayments	(6,477.27)	796.00
Increase/(decrease) in supplier payables	-	(8,044.07)
Increase/(decrease) in other payables	(986.05)	(392.62)
<b>Net cash from (used by) operating activities</b>	<u>(17,252.11)</u>	<u>7,434.01</u>

\*As required by the Reporting Guidelines. Item to remain even if 'nil'.

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2017	2016
\$	\$

**Note 8 Contingent Liabilities, Assets and Commitments**

**Note 8A: Commitments and Contingencies**

**Operating lease commitments—as lessee**

There are no operating lease commitments as at 30 November 2017.

**Capital commitments**

At 30 November 2017 the entity has commitments of \$Nil (2016: Nil).

**Finance lease commitments—as lessee**

There are no finance lease commitments as at 30 November 2017.

**Other contingent assets or liabilities (i.e. legal claims)**

The entity is not subject to any other contingent obligations for the year ended 30 November 2017.

**Note 9 Related Party Disclosures**

**Note 9A: Related Party Transactions for the Reporting Period**

Jason Letchford acts in the role of Secretary for the organisation and invoices the entity through his personal sole trader entity for the secretarial and administrative services provided in maintaining the books and records of the Shearing Contractors Association of Australia. There are no employees of the organisation. The terms are on normal commercial terms agreed by the Committee of Members. The amount of the transaction is disclosed at note 12B.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

**Expenses paid to Michael Schofield includes the following:**

(President's Honorarium)

5,000.00	4,750.00
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**Terms and conditions of transactions with related parties**

The honorarium is paid on an annual basis in agreement with the Committee of Members.

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2017	2016
\$	\$

**Note 9B: Transactions with key management personnel and their close family members**

**Other transactions with key management personnel**

Jason Letchford (Secretary's remuneration). The terms are normal commercial terms agreed by the Committee of Members	44,300.00	43,100.00
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**Note 10: Remuneration of Auditors**

**Value of the services provided**

Financial statement audit services	4,500.00	6,000.00
Other services	-	-
<b>Total remuneration of auditors</b>	<b>4,500.00</b>	<b>6,000.00</b>

No other services were provided by the auditors of the financial statements.

**Note 11: Section 272 Fair Work (Registered Organisations) Act 2009**

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

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



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	2017	2016
	\$	\$
<b>Note 12: Financial Instruments</b>		
<b>Financial Assets</b>		
Held-to-maturity investments:		
Cash at bank	311,589.26	328,841.37
<b>Total</b>	<b>311,589.26</b>	<b>328,841.37</b>
<b>Total</b>		
Loans and receivables:		
Trade receivables	7,366.77	6,529.66
GST receivables	5,835.08	8,121.53
	13,201.85	14,651.19
<b>Carrying amount of financial assets</b>	<b>324,791.11</b>	<b>343,492.56</b>
<b>Total</b>		
Other financial liabilities:		
GST Payable	2,415.40	3,401.35
<b>Total</b>	<b>2,415.40</b>	<b>3,401.35</b>
<b>Carrying amount of financial liabilities</b>	<b>2,415.40</b>	<b>3,401.35</b>

**(a) Significant Accounting Policies**

Details of significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

**(b) Interest Rate Risk**

The following details the organisation's exposures to interest rates risk as at 30 November 2017

- Cash on hand of \$311,589.26 attracting a variable interest rate of 2%-2.5% (2016:\$328,841.35 at 2%-2.5%)

**(c) Credit Risk**

Credit risk refers to the risk that a counterparty will default on its contracted obligations resulting in financial loss to the organisation. The organization has adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The organisation, measures credit risk on a fair value basis.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the organisations maximum financial exposure to credit risk without taking account of the value of any collateral or other security obtained.

**(d) Net fair Value**

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in note 1 to the financial statements.



22 June 2018

Mr Jason Letchford  
Secretary  
Shearing Contractors' Association of Australia

By e-mail: [scaa@scaa.org.au](mailto:scaa@scaa.org.au)  
c.c. [lisa@scaa.org.au](mailto:lisa@scaa.org.au)

Dear Mr Letchford

**Shearing Contractors' Association of Australia**  
**Financial Report for the year ended 30 November 2017 - FR2017/289**

I acknowledge receipt of the financial report for the year ended 30 November 2017 for the Shearing Contractors' Association of Australia (SCAA). The financial report was lodged with the Registered Organisations Commission (ROC) on 5 June 2018.

The financial report has not been filed. I have examined the report and identified a number of matters, the details of which are set out below, that you are required to address before the report can be filed.

The General Purpose Financial Report (GPFR), Operating Report, Committee of Management Statement and Auditor's Statement will require amendments. The amended reports will need to be provided to members, presented to a Committee of Management meeting, republished on the SCAA website and lodged with the ROC.

The matters identified should be read in conjunction with the *Fair Work (Registered Organisations) Act 2009* (the RO Act), *Fair Work (Registered Organisations) Regulations 2009* (the RO Regs), the 4th edition of the Reporting Guidelines (RG) made under section 255 of the RO Act and Australian Accounting Standards.

**1. Timescale requirements**

As you are aware, an organisation is required under the RO Act to undertake certain steps in accordance with specified timelines. Information about these timelines can be found on the ROC website. In particular, I draw your attention to the fact sheet titled *Financial reporting process* which explains the timeline requirements, and the fact sheet titled *Summary of financial reporting timelines* which sets out the timelines in diagrammatical format.

**Please note:** The Auditor's Statement has been issued with an invalid date of 31 February 2018. The following item has been prepared on the basis that the date was intended to be 28 February 2018.

I note that the following timescale requirement was not met:

Auditor's Statement must be signed before full report provided to members

The Designated Officer's Certificate states that the full report was provided to members on 10 February 2018. However the Auditor's Statement was signed on 31 February 2018 (28 February 2018). If the date on the Auditor's Statement is correct, it would appear that either the Auditor's Statement was not provided to members or that an unsigned report was provided. It is therefore necessary for the Branch to re-circulate the full report to members, including the signed version of the Auditor's Statement and represent to a Committee of Management meeting. When this has taken place a fresh Designated Officer's Certificate and the full report need to be lodged with the ROC within 14 days of the meeting.

## **2. Operating Report**

Period of Membership of Committee of Management

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. To satisfy the regulation the SCAA should disclose the dates of membership during the reporting period for each member or state that members of the Committee of Management held positions for the entire reporting period unless indicated otherwise.

Please amend accordingly.

## **3. Committee of Management Statement**

Reference to s.272 & s.273

Following the enactment of the *Fair Work (Registered Organisations) Amendment Act 2016*, with effect from 1 May 2017, section 272 refers to Commissioner of the ROC instead of the General Manager, Fair Work Commission. Section 273 continues to refer to the Fair Work Commission (FWC).

The SCAA Committee of Management statement, at reference e(vi) refers to the 'Registered Organisations Commission'. Please amend this to the 'Fair Work Commission' and resubmit to the ROC.

## **4. General Purpose Financial Report (GPFR)**

Presentation of GPFR

I note that the reporting unit has prepared its GPFR using the model set of financial statements which were released by the ROC on 20 June 2016. The ROC recommends that reporting units use this model as it will assist with ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards, however as stated in the introduction on page 2 of the model financial statements:

*'a reporting unit will need to ensure that only the disclosures that are applicable to their individual circumstances are included in the audited financial report distributed to members and lodged with the Registered Organisations Commission.'*

The audited financial report distributed to members and lodged with the ROC contains a number of disclosures that are NOT applicable to the reporting unit. This has led to the financial report being longer than necessary.

Please ensure that the financial report distributed to members and lodged with the ROC contains only the disclosures that are applicable to the reporting unit's circumstances.

#### Future Australian Accounting Standards

Australian Accounting Standard *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors* paragraph 30 requires that the entity disclose Australian Accounting Standards issued but not yet effective with an assessment of the future impact on the entity.

At a minimum, new accounting standards *AASB 9 Financial Instruments*, *AASB 15 Revenue from Contracts with Customers* and *AASB 16 Leases* should be disclosed at Note 1.4 to the GPFR.

Please amend accordingly.

#### Financial instruments disclosures

Australian Accounting Standard *AASB 7 Financial Instruments: Disclosures* details the reporting disclosures required by an entity in relation to financial instruments.

This information has not been provided.

#### Notice setting out sections 272(1), (2) & (3)

The notice described in Note 17 to the SCAA GPFR is not the current wording required by section 272(5) of the *Fair Work (Registered Organisations) Act 2016*.

The correct wording is as follows:

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

Please amend accordingly.

### Activities under Reporting Guidelines (RG) not disclosed

Items 15 and 17 of the RG state that if the activities identified in items 14 and 16 respectively have not occurred in the reporting period, a statement to this effect must be included in the notes to the GPFR. I note that for the following RG items no such disclosure has been made:

- Item 14(c) - compulsory levies raised
- Item 16(c) - affiliation fees paid to each entity

### **5. Auditor's Statement**

#### Should be addressed only to members

Item 22 of ASA700 states "The auditor's report shall be addressed as required by the circumstances of the engagement." Item A21 of ASA700 states "Law, regulation or the terms of the engagement may specify to whom the auditor's report is to be addressed in that particular jurisdiction. The auditor's report is normally addressed to those for whom the report is prepared...".

In this instance the report is prepared for the members of the reporting unit and not the General Manager, Fair Work Commission. Accordingly, the Auditor's statement is to be amended so as to be addressed solely to the 'Members of the Shearing Contractors Association of Australia'.

Please arrange for the auditor to amend the Auditor's Statement and reissue the report to the Members and the ROC.

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 (03) 9603 0707 or by email at [ken.morgan@roc.gov.au](mailto:ken.morgan@roc.gov.au)

Yours faithfully



**KEN MORGAN**  
Financial Reporting Advisor  
Registered Organisations Commission

**THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA**

**A.B.N. 82 193 025 602**

**FINANCIAL REPORT  
FOR THE YEAR ENDED  
30TH NOVEMBER 2017**

**THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA**

**A.B.N. 82 193 025 602**

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# Page, Harrison & Co

CHARTERED • ACCOUNTANTS

## 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 2017

### Report on the Audit of the Financial Report

#### Opinion

I have audited the financial report of The Shearing Contractors Association of Australia (the Reporting Unit) which comprises the statement of financial position as at 30 November 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 November 2017, notes to the financial statements, including a summary of significant accounting policies; and Committee of Management Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of The Shearing Contractors Association of Australia, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

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

#### Basis for Opinion

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

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

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

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

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

Postal Address: P O Box 573, Milsons Point NSW 1565 ABN 87 220 762 178  
TEL: 02 9922-7144 [info@pageharrison.com.au](mailto:info@pageharrison.com.au) FAX: 9929-0977  
Liability limited by a scheme approved under Professional Standards Legislation



## **Information Other than the Financial Report and Auditor's Report Thereon continued...**

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

## **Responsibilities of Committee of Management for the Financial Report**

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

## **Auditor's Responsibilities for the Audit of the Financial Report**

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

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

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

## **Auditor's Responsibilities for the Audit of the Financial Report continued...**

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

I declare that I am an approved auditor, a member of Chartered Accountants Australia & New Zealand and hold a current Public Practice Certificate.

## **Report on the Recovery of Wages Activity financial report**

### **Opinion on the recovery of wages activity financial report**

The scope of my work did not extend to the recovery of wages activity as the Registered Organisation has not undertaken any recovery of wages activity during the reporting period as referred to in the Committee of Management Statement. Therefore, no opinion can be provided in relation to recovery of wages activity.

Page Harrison & Co  
Chartered Accountants



**JASON ROCHAIX**  
Director

Sydney  
~~31st January 2018~~  
31st February 2018

Registration number (as required by the RO Commissioner under the RO Act): AA2017/40

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

*s268 Fair Work (Registered Organisations) Act 2009*

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**

Certificate for the year ended 30 November 2017

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

- that the documents lodged herewith are a copy of the full report for the *Shearing Contractors Association of Australia* for the period ended 30 November 2017 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 10 / February / 2018; and
- that the full report was presented to a general meeting of members on 31 / May / 2018 / 2017 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer: *Jason Letchford*

Name of prescribed designated officer: Jason Letchford

Title of prescribed designated officer: Secretary / Treasurer

Dated: 1 / June / 2018

*(note: to be dated after the AGM)*

**OPERATING REPORT**

*for the year ended 30 November 2017*

The committee presents its report on the reporting unit for the financial year ended 30 November 2017.

**Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year**

**Review of 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 in 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.

**Officers or members who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee**

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.

**Number of members**

The number of members who were recorded at the end of the financial year was 176.

**Number of employees**

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

**Names of Committee of Management members and period positions held during the financial year**

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

There were changes to the composition of the Committee of Management during the financial year. The persons who held office as members of the Committee of Management of the Association at the end of the financial year were:

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

Signature of designated officer: *Jason Letchford* .....

Name and title of designated officer: Jason Letchford (Secretary / Treasurer)

Dated: ~~31st January 2018~~ 10 February 2018

**THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA**

**A.B.N. 82 193 025 602**

**COMMITTEE OF MANAGEMENT STATEMENT**

***for the year ended 30 November 2017***

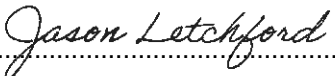
10 February 2018

On the ~~31st January 2018~~ the Committee of Management of the Association passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 November 2017:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of 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
  - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
  - (v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
  - (vi) where any order for inspection of financial records has been made by the Registered Organisations Commission under section 273 of the RO Act, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period.

This declaration is made in accordance with a resolution of the Committee of Management.

Signature of designated officer:  .....

Name and title of designated officer: Jason Letchford (Secretary / Treasurer)

Dated this ~~31st January 2018~~ 10 February 2018

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA

A.B.N. 82 193 025 602

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 November 2017

	Notes	2017 \$	2016 \$
<b>Revenue</b>			
Sales of merchandise		115,277.59	121,653.16
Membership subscription		76,159.27	78,279.82
Interest	3A	5,786.41	6,214.87
Other revenue		4,163.64	4,545.45
<b>Total revenue</b>		<u>201,386.91</u>	<u>210,693.30</u>
<b>Other Income</b>			
Grants and/or donations	3B	-	-
Net gains from sale of assets	3C	-	-
<b>Total other income</b>		<u>-</u>	<u>-</u>
<b>Total income</b>		<u>201,386.91</u>	<u>210,693.30</u>
<b>Expenses</b>			
Administration expenses	4A	(207,491.94)	(200,646.39)
Grants or donations	4B	-	-
Depreciation and amortisation	4C	-	-
Finance costs	4D	-	-
Legal costs	4E	-	-
Audit fees	13	(4,500.00)	(6,000.00)
Other expenses	4F	-	-
<b>Total expenses</b>		<u>(211,991.94)</u>	<u>(206,646.39)</u>
<b>Profit (loss) for the year</b>		<u>(10,605.03)</u>	<u>4,046.91</u>
<b>Other comprehensive income</b>			
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year</b>		<u>(10,605.03)</u>	<u>4,046.91</u>

The above statement should be read in conjunction with the notes.

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA

A.B.N. 82 193 025 602

STATEMENT OF FINANCIAL POSITION

as at 30 November 2017

	Notes	2017 \$	2016 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5A	311,589.26	328,841.37
Trade and other receivables	5B	13,201.85	14,651.19
Inventories	5C	1,950.13	1,317.03
Other current assets	5C	6,477.27	-
<b>Total current assets</b>		<b>333,218.51</b>	<b>344,809.59</b>
<b>Non-Current Assets</b>			
Plant and equipment	6A	-	-
Other investments	6B	-	-
Other non-current assets	6C	-	-
<b>Total non-current assets</b>		<b>-</b>	<b>-</b>
<b>Total assets</b>		<b>344,809.59</b>	<b>344,809.59</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade payables	7A	-	-
Other payables	7B	2,415.40	3,401.35
<b>Total current liabilities</b>		<b>2,415.40</b>	<b>3,401.35</b>
<b>Non-Current Liabilities</b>			
Other non-current liabilities	8A	-	-
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>2,415.40</b>	<b>3,401.35</b>
<b>Net assets</b>		<b>330,803.11</b>	<b>341,408.14</b>
<b>EQUITY</b>			
General funds	9A	112,413.00	112,413.00
Retained earnings (accumulated deficit)		218,390.11	228,995.14
<b>Total equity</b>		<b>330,803.11</b>	<b>341,408.14</b>

The above statement should be read in conjunction with the notes.



THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA

A.B.N. 82 193 025 602

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 November 2017

	Notes	General funds \$	Retained earnings \$	Total equity \$
<b>Balance as at 1 December 2015</b>		112,413.00	224,948.23	337,361.23
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Profit for the year		-	4,046.91	4,046.91
Other comprehensive income for the year		-	-	-
Transfer to/from	9A	-	-	-
Transfer from retained earnings		-	-	-
<b>Closing balance as at 30 November 2016</b>		<b>112,413.00</b>	<b>228,995.14</b>	<b>341,408.14</b>
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Profit for the year		-	(10,605.03)	(10,605.03)
Other comprehensive income for the year		-	-	-
Transfer to/from	9A	-	-	-
Transfer from retained earnings		-	-	-
<b>Closing balance as at 30 November 2017</b>		<b>112,413.00</b>	<b>218,390.11</b>	<b>330,803.11</b>

The above statement should be read in conjunction with the notes.

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA

A.B.N. 82 193 025 602

STATEMENT OF CASH FLOWS

for the year ended 30 November 2017

	Notes	2017 \$	2016 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Customers		192,886.20	210,851.71
Receipts from other reporting units/controlled entity(s)	10B	-	-
Interest		5,786.41	6,214.87
Other		4,163.64	4,545.45
<b>Cash used</b>			
Suppliers		(220,088.36)	(214,178.02)
Payment to other reporting units/controlled entity(s)	10B	-	-
<b>Net cash from (used by) operating activities</b>	10A	(17,252.11)	7,434.01
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sale of plant and equipment		-	-
Proceeds from sale of land and buildings		-	-
Other		-	-
<b>Cash used</b>			
Purchase of plant and equipment		-	-
Purchase of land and buildings		-	-
Other		-	-
<b>Net cash from (used by) investing activities</b>		-	-
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed equity		-	-
Other		-	-
<b>Cash used</b>			
Repayment of borrowings		-	-
Other		-	-
<b>Net cash from (used by) financing activities</b>		-	-
<b>Net increase (decrease) in cash held</b>		(17,252.11)	7,434.01
Cash & cash equivalents at the beginning of the reporting period		328,841.37	321,407.36
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	5A	311,589.26	328,841.37

The above statement should be read in conjunction with the notes.

**THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA**

**A.B.N. 82 193 025 602**

**Index to the Notes of the Financial Statements**

Note 1	Summary of significant accounting policies
Note 2	Events after the reporting period
Note 3	Income
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Note 5	Current assets
Note 6	Non-current assets
Note 7	Current liabilities
Note 8	Non-current liabilities
Note 9	Equity
Note 10	Cash flow
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Note 12	Related party disclosures
Note 13	Remuneration of auditors
Note 14	Section 272 Fair Work (Registered Organisations) Act 2009

# THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA

A.B.N. 82 193 025 602

## **Note 1 Summary of significant accounting policies**

### **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 reporting unit 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 Significant accounting judgements and estimates**

There are no accounting assumptions or estimates identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

### **1.4 New, Revised or Amending Accounting Standards and Interpretations Adopted**

#### ***Adoption of New Australian Accounting Standard requirements***

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

## THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA

A.B.N. 82 193 025 602

### ***Future Australian Accounting Standards Requirements***

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period are not expected to have a future financial impact on reporting unit.

### **1.5 Acquisition of assets and or liabilities that do not constitute a business combination**

There were no transfers of the net book value of assets and/or liabilities to another reporting unit for no consideration during the financial year under Part 2 of Chapter 3 of the *Fair Work (Registered Organisations) Act 2009/a*.

### **1.6 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 amounts 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.

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

### **1.7 Government grants**

Government grants are not recognised until there is reasonable assurance that the reporting unit will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the reporting unit recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the reporting unit should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the reporting unit with no future related costs are recognised in profit or loss in the period in which they become receivable.

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## 1.8 Gains

### *Sale of assets*

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

## 1.9 Capitation fees and levies

Capitation fees and levies are recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

## 1.10 Leases

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

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

## 1.11 Borrowing costs

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

## 1.12 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 known 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.

## 1.13 Financial instruments

Financial assets and financial liabilities are recognised when a reporting unit entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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### 1.14 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets 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. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

#### ***Fair value through profit or loss***

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; 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 reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement 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 and is included in the 'other gains and losses' line item in the statement of comprehensive income.

#### ***Held-to-maturity investments***

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

#### ***Available-for-sale***

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss.

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Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

### ***Loan and receivables***

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

### ***Effective interest method***

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

### ***Impairment of financial assets***

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

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the 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.



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When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, 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 that 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 securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

### ***Derecognition of financial assets***

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

## **1.15 Financial Liabilities**

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

### ***Fair value through profit or loss***

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability 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 reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

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Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

### ***Other financial liabilities***

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

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

### ***Derecognition of financial liabilities***

The reporting unit derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

## **1.16 Contingent Liabilities and Contingent Assets**

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

## **1.17 Plant and Equipment**

### ***Depreciation***

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	<b>2017</b>	2016
Plant and equipment	<b>1 to 10 years</b>	1 to 10 years

### ***Derecognition***

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the 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 the profit and loss.

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### 1.18 Impairment for non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the reporting unit were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

### 1.19 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

### 1.20 Taxation

The Shearing Contractors Association of Australia is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 and has no obligation for Fringe Benefits Tax (FBT) as the reporting unit has no employees. However, the Association still has obligation for the 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 financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

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### 1.21 Fair value measurement

The reporting unit measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 14C.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the reporting unit. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The reporting unit uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the reporting unit determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the reporting unit has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

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**1.22 Going concern**

The financial report has been prepared on a going concern basis, which contemplates continuity of normal trading activities and the realisation of assets and settlement of liabilities in the normal course of business. The Association's continued existence is ultimately dependent upon future sales of merchandise and member subscriptions.

If the company is unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and in amounts different from those stated in the financial report.

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**Note 2 Events after the reporting period**

There were no events that occurred after 30 November 2017, and/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.

	2017	2016
	\$	\$

**Note 3 Income**

**Note 3A: Interest**

Deposits	5,786.41	6,214.87
Loans	-	-
<b>Total interest</b>	<u>5,786.41</u>	<u>6,214.87</u>

**Note 3B: Grants or donations**

Grants	-	-
Donations	-	-
<b>Total grants or donations</b>	<u>-</u>	<u>-</u>

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2017	2016
\$	\$

**Note 4 Expenses**

**Note 4A: Administration expenses**

Consideration to employers for payroll deductions*	-	-
Advertising & promotion	1,400.45	828.62
Bank charges	901.89	908.73
Compulsory levies*	-	-
Conference and meeting expenses*	12,452.55	6,300.77
Contractors/consultants	15,637.53	11,850.27
Dues & subscriptions	500.00	-
Fees/allowances - meeting and conferences*	-	-
Insurance	3,553.58	3,308.83
Merchandise purchases	100,065.94	106,128.31
Presidents honorarium	5,000.00	4,750.00
Printing, postage & stationery	4,718.52	5,952.53
Property expenses	8,035.00	7,775.00
Reimbursements	3,527.73	2,600.00
Secretary's remuneration	44,300.00	43,100.00
Telephone & facsimile	1,968.75	2,165.47
Work cover project expenses	5,430.00	4,977.86
<b>Total administration expenses</b>	<b>211,991.94</b>	<b>200,646.39</b>

**Note 4B: Grants or donations\***

Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
<b>Total grants or donations</b>	<b>-</b>	<b>-</b>

**Note 4C: Depreciation and amortisation**

Depreciation		
Property, plant and equipment	-	-
<b>Total depreciation</b>	<b>-</b>	<b>-</b>
<b>Total depreciation and amortisation</b>	<b>-</b>	<b>-</b>

\*As required by the Reporting Guidelines. Item to remain even if 'nil'.

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2017                      2016  
\$                              \$

**Note 4D: Finance costs**

Finance leases	-	-
Overdrafts/loans	-	-
Unwinding of discount	-	-
<b>Total finance costs</b>	-	-

**Note 4E: Legal costs\***

Litigation	-	-
Other legal matters	-	-
<b>Total legal costs</b>	-	-

**Note 4F: Other expenses**

Penalties - via RO Act or RO Regulations*	-	-
<b>Total other expenses</b>	-	-

\*As required by the Reporting Guidelines. Item to remain even if 'nil'.

**Note 5      Current Assets**

**Note 5A: Cash and Cash Equivalents**

Cash at bank	237,425.10	43,572.27
Cash on hand	-	-
Short term deposits	74,164.16	285,269.10
Other	-	-
<b>Total cash and cash equivalents</b>	<b>311,589.26</b>	<b>328,841.37</b>



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	2017	2016
	\$	\$
<b>Note 5B: Trade and Other Receivables</b>		
<b>Receivables from other reporting unit[s]*</b>		
<i>[list name and amount for each other reporting unit]</i>	-	-
<b>Total receivables from other reporting unit[s]</b>	-	-
<b>Less provision for doubtful debts*</b>		
<i>[list name and amount for each other reporting unit]</i>	-	-
<b>Total provision for doubtful debts</b>	-	-
<b>Receivable from other reporting unit[s] (net)</b>	-	-
<b>Other receivables:</b>		
GST receivable from the Australian Taxation Office	7,366.77	6,529.66
Other trade receivables	5,835.08	8,121.53
<b>Total other receivables</b>	13,201.85	14,651.19
<b>Total trade and other receivables (net)</b>	13,201.85	14,651.19
<b>Note 5C: Other Current Assets</b>		
Stock on hand	1,950.13	1,317.03
Prepayments	6,477.27	-
<b>Total other current assets</b>	8,427.40	1,317.03

\*As required by the Reporting Guidelines. Item to remain even if 'nil'.

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2017  
\$

2016  
\$

**Note 6 Non-current Assets**

**Note 6A: Plant and equipment**

Plant and equipment:

at cost	-	-
accumulated depreciation	-	-
<b>Total plant and equipment</b>	-	-

**Reconciliation of the Opening and Closing Balances of Plant and Equipment**

<b>As at 1 December</b>		
Gross book value	-	-
Accumulated depreciation and impairment	-	-
<b>Net book value 1 December</b>	-	-
Additions:		
By purchase	-	-
Impairments	-	-
Depreciation expense	-	-
Other movement [ <i>give details below</i> ]	-	-
Disposals:		
Other	-	-
<b>Net book value 30 November</b>	-	-
<b>Net book value as of 30 November represented by:</b>		
Gross book value	-	-
Accumulated depreciation and impairment	-	-
<b>Net book value 30 November</b>	-	-

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	2017	2016
	\$	\$
<b>Note 6B: Other Investments</b>		
Deposits	-	-
Other	-	-
<b>Total other investments</b>	-	-

**Note 6C: Other Non-current Assets**

Prepayments	-	-
Other	-	-
<b>Total other non-financial assets</b>	-	-

**Note 7 Current Liabilities**

**Note 7A: Trade payables**

Trade creditors	-	-
Creditors and accruals	-	-
<b>Subtotal trade creditors</b>	-	-

**Payables to other reporting unit[s]\***

*[list name and amount for each reporting unit]*

<b>Subtotal payables to other reporting unit[s]</b>	-	-
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**Total trade payables**

Settlement is usually made within 30 days.

**Note 7B: Other payables**

Consideration to employers for payroll deductions*	-	-
Legal costs*	-	-
Prepayments received/unearned revenue	-	-
GST payable	2,415.40	3,401.45
Other	-	-
<b>Total other payables</b>	2,415.40	3,401.45

Total other payables are expected to be settled in:

No more than 12 months	2,415.40	3,401.45
More than 12 months	-	-
<b>Total other payables</b>	2,415.40	3,401.45

\*As required by the Reporting Guidelines. Item to remain even if 'nil'.

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2017  
\$

2016  
\$

**Note 8 Non-current Liabilities**

**Note 8A: Other non-current liabilities**

[list classes]

**Total other non-current liabilities**

-	-
-	-

**Note 9 Equity**

**Note 9A: Funds**

General reserve

**Balance as at start of year**

112,413.00 112,413.00

Transferred to reserve

- -

Transferred out of reserve

- -

**Balance as at end of year**

112,413.00 112,413.00

**Total Reserves**

112,413.00 112,413.00

\*As required by the Reporting Guidelines. Item to remain even if 'nil'.

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2017  
\$

2016  
\$

**Note 10 Cash Flow**

**Note 10A: Cash Flow Reconciliation**

**Reconciliation of cash and cash equivalents as per  
Statement of Financial Position to Cash Flow  
Statement:**

**Cash and cash equivalents as per:**

Cash flow statement	311,589.26	328,841.37
Statement of financial position	311,589.26	328,841.37
<b>Difference</b>	-	-

**Reconciliation of profit/(deficit) to net cash  
from operating activities:**

Profit/(deficit) for the year	(10,605.03)	4,046.91
-------------------------------	-------------	----------

**Adjustments for non-cash items**

Depreciation/amortisation	-	-
Prior year adjustment	-	-
Gain on disposal of assets	-	-

**Changes in assets/liabilities**

(Increase)/decrease in trade and other receivables	1,449.34	10,918.73
(Increase)/decrease in inventories	(633.10)	109.06
(Increase)/decrease in prepayments	(6,477.27)	796.00
Increase/(decrease) in supplier payables	-	(8,044.07)
Increase/(decrease) in other payables	(986.05)	(392.62)
<b>Net cash from (used by) operating activities</b>	<b>(17,252.11)</b>	<b>7,434.01</b>

**Note 10B: Cash flow information\***

Cash inflows

<i>[list each reporting unit/controlled entity]</i>	-	-	-	-
<b>Total cash inflows</b>	-	-	-	-

Cash outflows

<i>[list each reporting unit/controlled entity]</i>	-	-	-	-
<b>Total cash outflows</b>	-	-	-	-

\*As required by the Reporting Guidelines. Item to remain even if 'nil'.

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA

A.B.N. 82 193 025 602

2017	2016
\$	\$

**Note 11 Contingent Liabilities, Assets and Commitments**

**Note 11A: Commitments and Contingencies**

**Operating lease commitments—as lessee**

There are no operating lease commitments as at 30 November 2017.

**Capital commitments**

At 30 November 2017 the entity has commitments of \$Nil (2016: Nil).

**Finance lease commitments—as lessee**

There are no finance lease commitments as at 30 November 2017.

**Other contingent assets or liabilities (i.e. legal claims)**

The entity is not subject to any other contingent obligations for the year ended 30 November 2017.

**Note 12 Related Party Disclosures**

**Note 12A: Related Party Transactions for the Reporting Period**

Jason Letchford acts in the role of Secretary for the organisation and invoices the entity through his personal sole trader entity for the secretarial and administrative services provided in maintaining the books and records of the Shearing Contractors Association of Australia. There are no employees of the organisation. The terms are on normal commercial terms agreed by the Committee of Members. The amount of the transaction is disclosed at note 12B.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

**Expenses paid to Michael Schofield includes the following:**

(President's Honorarium)

5,000.00	4,750.00
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**Terms and conditions of transactions with related parties**

The honorarium is paid on an annual basis in agreement with the Committee of Members.

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA

A.B.N. 82 193 025 602

	2017	2016
	\$	\$

**Note 12B: Transactions with key management personnel and their close family members**

**Other transactions with key management personnel**

Jason Letchford (Secretary's remuneration).  
The terms are normal commercial terms agreed  
by the Committee of Members

	██████████	██████████
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**Note 13 Remuneration of Auditors**

**Value of the services provided**

Financial statement audit services

4,500.00

6,000.00

Other services

-

-

**Total remuneration of auditors**

4,500.00

6,000.00

No other services were provided by the auditors of the financial statements.

**THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA**

**A.B.N. 82 193 025 602**

**Note 14: Section 272 Fair Work (Registered Organisations) Act 2009**

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or General Manager:

- (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).