



14 June 2019

Jason Letchford
Secretary
Shearing Contractors' Association of Australia

Sent via email: scaa@scaa.org.au
jason@pageharrison.com.au

Dear Jason Letchford,

**Shearing Contractors' Association of Australia, The
Financial Report for the year ended 30 November 2018 – (FR2018/295)**

I acknowledge receipt of the financial report of the Shearing Contractors' Association of Australia. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 2 June 2019.

The financial report has now been filed.

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

Please note that the financial report for the year ending 30 November 2019 may be subject to an advanced compliance review.

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

General purpose financial report (GPFR)

Nil activity disclosures

Item 21 of the reporting guidelines (**RGs**) states that if any of the activities identified within items 10-20 of the RGs have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. I note that the body of the notes includes the following nil activity disclosures for which there was already an equivalent form of disclosure in the financial statements:

- "Receiving capitation fees from another reporting unit" and "receiving any other revenue from another reporting unit" are disclosed in both the statement of comprehensive income and Note 3A;
- "Receiving donations or grants" is disclosed in both the statement of comprehensive income and Note 3D;

- "Paying capitation fees to another reporting unit" is disclosed in both the statement of comprehensive income and Note 4B;
- "Paying affiliation fees to another entity" is disclosed in both the statement of comprehensive income and Note 4C;
- "Paying a grant that was \$1,000 or less", "paying a grant that exceeded \$1,000", "paying a donation that was \$1,000 or less" and "paying a donation that exceeded \$1,000" are disclosed in both the statement of comprehensive income and Note 4E;
- "Paying employee expenses for holders of office" and "paying employee expenses for employees (other than holders of office)" are disclosed in both the statement of comprehensive income and Note 4A;
- "Paying legal costs relating to litigation" and "paying legal costs relating to other legal matters" are disclosed in both the statement of comprehensive income and Note 4F; and
- "Paying a penalty imposed under the RO Act or the Fair Work Act 2009" is disclosed in both the statement of comprehensive income and Note 4G.

Please note that nil activities only need to be disclosed once.

I also note that the notes and the financial statements contained nil activity information for all prescribed RG categories except the following:

- Agreeing to provide financial support to another reporting unit to ensure they continue as a going concern (RG11);
- Having a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch (RG17(a));
- Transferring to or withdrawing from a fund (other than the general fund), account, asset or controlled entity (RG17(b)); and
- Making a payment to a former related party of the reporting unit (RG20).

Please ensure in future years that the above mentioned items are disclosed in either the financial statements, the notes or in the officer's declaration statement as per the RGs.

Inconsistency in disclosure of financial information

The statement of comprehensive income includes a nil disclosure of other expenses. This item also makes reference to Note 4G. The body of the note, however does not include Note 4G. It would appear that Note 4D *Other expenses* on page 28 of the GPFR is Note 4G.

In future years, please ensure that items within the financial report are disclosed consistently.

Materiality

Australian Accounting Standard *AASB 101 Presentation of Financial Statements* paragraph 97 requires material items to be presented separately. Note 4D *Administration expenses* reports \$52,215 as other administration expenses, which is a material amount. In future years this item must be further divided to ensure that any material items within other administration expenses are separately disclosed.

Auditor's report

Audit scope - officer's declaration statement

Australian Auditing Standard *ASA 700 Forming an Opinion and Reporting on a Financial Report* paragraph 24(c) requires the auditor's statement to list the elements of the GPFR. In the lodged auditor's report reference is made to an officer's declaration statement, however an officer's declaration statement was not included in the copy of the documents lodged with the ROC.

Please ensure in future years that only those statements which formed part of the auditor's scope are identified in the auditor's report.

Audit scope to include subsection 255(2A) report

A GPFR prepared under section 253 of the RO Act also includes the expenditure report required to be prepared under subsection 255(2A) as prescribed by RG 22.

The subsection 255(2A) report must be identified by title in the auditor's statement in accordance with paragraph 24(c) of Australian Auditing Standard *ASA 700 Forming an Opinion and Reporting on a Financial Report*.

A subsection 255(2A) report was included in the copy of the documents lodged with the ROC but the auditor did not refer to the statement in the auditor's report.

Please ensure in future years that the subsection 255(2A) report is audited before provided to members and lodged with the ROC.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements.

The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0764 or via email at kylie.ngo@roc.gov.au.

Yours sincerely



Kylie Ngo
Registered Organisations Commission

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA

ABN 82 193 025 602

**FINANCIAL REPORT
FOR THE YEAR ENDED
30TH NOVEMBER 2018**

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
ABN 82 193 025 602

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THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
ABN 82 193 025 602



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INDEPENDENT AUDIT REPORT TO THE MEMBERS

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 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 November 2018, notes to the financial statements, including a summary of significant accounting policies; the Committee of Management Statement and the Officer Declaration Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of The Shearing Contractors Association of Australia as at 30 November 2018, 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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INDEPENDENT AUDIT REPORT TO THE MEMBERS (CONT.)

Information Other than the Financial Report and Auditor's Report Thereon (Cont.)

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.



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INDEPENDENT AUDIT REPORT TO THE MEMBERS (CONT.)

Auditor's Responsibilities for the Audit of the Financial Report (Cont.)

- 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.

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 registered under the RO Act.

Page Harrison & Co
Chartered Accountants

A handwritten signature in black ink, appearing to read 'JR' with a stylized flourish.

JASON ROCHAIX
Director

Sydney
20 March 2019

Registration number (as required by the RO Commissioner under the RO Act): AA2018/40

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
ABN 82 193 025 602

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

s268 Fair Work (Registered Organisations) Act 2009

Certificate for the year ended 30 November 2018

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

- that the documents lodged herewith are copies of the full report for The Shearing Contractors Association of Australia for the period ended 30 November 2018 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 21st March 2019 ; and
- that the full report was presented to a general meeting of members on 30th May 2019 in accordance with s.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: 2nd June 2019

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
ABN 82 193 025 602

REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 30 NOVEMBER 2018

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 November 2018.

Categories of expenditures	2018	2017
	\$	\$
Remuneration and other employment-related costs and expenses - employees	-	-
Advertising	1,000	1,400
Operating costs	227,125	210,591
Donations to political parties	-	-
Legal costs	-	-

Signature of prescribed designated officer:



Name of prescribed designated officer: Jason Letchford

Title of prescribed designated officer: Secretary / Treasurer

Dated: 16 February 2019

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
ABN 82 193 025 602

OPERATING REPORT

The Committee of Management presents its report on the Reporting Unit for the financial year ended 30 November 2018.

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 where being a member or officer of a registered organisation is a criterion for them holding such position

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 181.

Number of employees

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

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
ABN 82 193 025 602

OPERATING REPORT (CONT.)

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):

Name	Position	Date
Michael Schofield	President	
Noel Canty	Vice President	Appointed 31/5/2018
Warren Kimber	Vice President	Appointed 31/5/2018
David Kemp		Resigned 31/5/2018
Trevor King	Trustee	Appointed 31/5/2018
Steven Rigby	Trustee	Appointed 31/5/2018
Frank Sutherland		Resigned 31/5/2018
Jamie Tippet	Committee of Mgmt Member	
Lincoln Munroe	Committee of Mgmt Member	
Frank Sutherland	Committee of Mgmt Member	Appointed 31/5/2018
Andrew Morrison	Committee of Mgmt Member	
Michael Jarman	Committee of Mgmt Member	Resigned 31/5/2018
Trevor King	Committee of Mgmt Member	Resigned 31/5/2018
Steven Rigby	Committee of Mgmt Member	Resigned 31/5/2018
Brendan Sullivan	Committee of Mgmt Member	Appointed 31/5/2018
Damian Raudino	Committee of Mgmt Member	Appointed 31/5/2018
Jason Letchford	Secretary/Treasurer	

Signature of designated officer:



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

Dated: 16 February 2019

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
ABN 82 193 025 602

COMMITTEE OF MANAGEMENT STATEMENT

On the 16 February 2019 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 2018:

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.

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: 16 February 2019

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
ABN 82 193 025 602

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 NOVEMBER 2018

	Note	2018 \$	2017 \$
Revenue			
Membership subscription		94,839	76,159
Capitation fees and other revenue from another reporting unit	3A	-	-
Levies	3B	-	-
Sales of merchandise		126,255	115,278
Interest	3C	2,624	5,786
Other revenue		-	4,164
Total revenue		223,718	201,387
Other Income			
Grants and/or donations	3D	-	-
Revenue from recovery of wages activity		-	-
Total other income		-	-
Total income		223,718	201,387
Expenses			
Employee expenses	4A	-	-
Capitation fees and other expense to another reporting unit	4B	-	-
Affiliation fees	4C	-	-
Administration expenses	4D	(112,837)	(101,994)
Cost of sales		(109,871)	(105,497)
Grants or donations	4E	-	-
Legal costs	4F	-	-
Audit fees	10	(5,417)	(4,500)
Other expenses	4G	-	-
Total expenses		(228,126)	(211,992)
Total comprehensive income for the year		(4,408)	(10,605)

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

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
ABN 82 193 025 602

STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2018

	Note	2018 \$	2017 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	328,598	311,589
Trade and other receivables	5B	10,969	10,786
Inventories	5C	1,185	1,950
Other current assets	5C	2,240	6,478
Total current assets		342,992	330,803
Total assets		342,992	330,803
LIABILITIES			
Current Liabilities			
Trade payables	6A	10,864	-
Other payables	6B	5,733	-
Total current liabilities		16,597	-
Total liabilities		16,597	-
Net assets		326,395	330,803
EQUITY			
General funds	8A	112,413	112,413
Retained earnings (accumulated deficit)		213,982	218,390
Total equity		326,395	330,803

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

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
ABN 82 193 025 602

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2018

	Note	General funds \$	Retained earnings \$	Total equity \$
Balance as at 1 December 2016		112,413	228,995	341,408
Surplus / (deficit) for the year		-	(10,605)	(10,605)
Closing balance as at 30 November 2017		112,413	218,390	330,803
Surplus / (deficit) for the year		-	(4,408)	(4,408)
Closing balance as at 30 November 2018		112,413	213,982	326,395

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

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
ABN 82 193 025 602

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 NOVEMBER 2018

	Note	2018 \$	2017 \$
OPERATING ACTIVITIES			
Cash received			
Customers and members		243,021	192,886
Receipts from other reporting units/controlled entity(s)		-	-
Interest		2,624	5,786
Other		-	4,164
Cash used			
Suppliers		(228,637)	(220,088)
Payment to other reporting units/controlled entity(s)		-	-
Net cash from (used by) operating activities	9A	17,009	(17,252)
Net increase (decrease) in cash held		17,009	(17,252)
Cash & cash equivalents at the beginning of the reporting period		311,589	328,841
Cash & cash equivalents at the end of the reporting period	5A	328,598	311,589

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

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
ABN 82 193 025 602

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THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
ABN 82 193 025 602

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2018

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 Shearing Contractors Association of Australia is a not-for-profit entity.

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

1.2 Comparative amounts

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

1.3 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 Australian Accounting Standards

Adoption of New Australian Accounting Standards

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

The accounting policies are consistent with those of the previous financial year and no new standards or amendments have been adopted for the first time this financial year.

Future Australian Accounting Standards

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact on The Shearing Contractors Association of Australia include:

Standard	Application date of standard	Application date for Association	Impact
AASB 9 Financial Instruments	1 January 2018	1 December 2018	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. The Association does not foresee any material impact on its financial statements from the application of this standard.

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
ABN 82 193 025 602

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2018

Note 1 Summary of significant accounting policies (Cont.)

1.4 New Australian Accounting Standards (Cont.)

Future Australian Accounting Standards (Cont.)

Standard	Application date of standard	Application date for Association	Impact
AASB 15 Revenue from contracts with customers	1 January 2018	1 December 2018	This standard establishes a comprehensive framework for determining whether, how much and when revenue is recognised. The Association is assessing the potential impact on its financial statements resulting from the application of this standard.
AASB 16 Leases	1 January 2019	1 December 2019	Introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases. The Association does not foresee any material impact on its financial statements from the application of this standard.
AASB 1058 Income of Not-for-Profit Entities	1 January 2019	1 December 2019	Supersedes all the income recognition requirements relating to not-for-profit entities. The Association is assessing the potential impact on its financial statements resulting from the application of this standard.
2016-7 Deferral of AASB 15 for Not-for-Profit Entities			
2016-8 Australian Implementation Guidance for Not-for-Profit Entities			
2018-1 Annual Improvements 2015-2017 Cycle	1 January 2019	1 December 2019	Clarifies minor issues in a number of accounting standards. The Association does not foresee any material impact on its financial statements from the application of this standard.

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

The Shearing Contractors Association of Australia did not acquire an asset of liability due to an amalgamation under Part 2 of Chapter 3 of the *Fair Work (Registered Organisations) Act 2009*, a restructure of the branches of the Association or a determination or revocation by the General Manager of the Fair Work Commission under subsections 451(1) or 249(1) of the *Fair Work (Registered Organisations) Act 2009*.

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
ABN 82 193 025 602

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2018

Note 1 Summary of significant accounting policies (Cont.)

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.

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 Shearing Contractors Association of Australia recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that The Shearing Contractors Association of Australia 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 Shearing Contractors Association of Australia 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
ABN 82 193 025 602

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2018

Note 1 Summary of significant accounting policies (Cont.)

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 The Shearing Contractors Association of Australia 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
ABN 82 193 025 602

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2018

Note 1 Summary of significant accounting policies (Cont.)

1.14 Financial assets (Cont.)

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 re-measurement 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.

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
ABN 82 193 025 602

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2018

Note 1 Summary of significant accounting policies (Cont.)

1.14 Financial assets (Cont.)

Available-for-sale (Cont.)

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 SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2018

Note 1 Summary of significant accounting policies (Cont.)

1.14 Financial assets (Cont.)

Impairment of financial assets (Cont.)

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.

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.

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2018

Note 1 Summary of significant accounting policies (Cont.)

1.15 Financial liabilities (Cont.)

Fair value through profit or loss

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.

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 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).

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2018

Note 1 Summary of significant accounting policies (Cont.)

1.17 Taxation (Cont.)

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.

1.18 Fair value measurement

The Shearing Contractors Association of Australia 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 11A.

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.

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2018

Note 1 Summary of significant accounting policies (Cont.)

1.18 Fair value measurement (Cont.)

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.

1.19 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.

The Shearing Contractors Association of Australia is not reliant on the agreed financial support of another reporting unit to continue as a going concern basis.

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2018

Note 2 Events after the reporting period

There were no events that occurred after 30 November 2018, 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.

	2018	2017
	\$	\$

Note 3 Income

Note 3A: Capitation fees and other revenue from another reporting unit

Capitation fees:

Subtotal capitation fees	-	-
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Other revenue from another reporting unit:

Subtotal other revenue from another reporting unit	-	-
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Total capitation fees and another revenue from other reporting unit	-	-
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Note 3B: Levies

Total levies	-	-
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Note 3C: Interest

Deposits	2,624	5,786
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Loans	-	-
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Total interest	2,624	5,786
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Note 3D: Grants or donations

Grants	-	-
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Donations	-	-
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Total grants or donations	-	-
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Note 4 Expenses

Note 4A: Employee expenses

Employee expenses holders of office	-	-
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Employee expenses employees other than office	-	-
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Total employee expenses	-	-
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THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2018

	2018	2017
	\$	\$
Note 4 Expenses (Cont.)		
Note 4B: Capitation fees and other expense to another reporting unit		
Subtotal capitation fees	-	-
Other expense to another reporting unit:		
Subtotal other expense to another reporting unit	-	-
Total capitation fees and another expense to other reporting unit	-	-
Note 4C: Affiliation fees		
Total affiliation fees/subscriptions	-	-
Note 4D: Administration expenses		
Total paid to employers for payroll deductions of membership subscriptions	-	-
Compulsory levies	-	-
Fees/allowances – meetings and conferences	-	-
Conference and meeting expenses	25,218	12,453
Advertising & promotion	1,000	1,400
Contractors/consultants	14,002	15,638
Property expenses	8,295	8,035
Office expenses	9,768	9,173
Information communications technology	2,339	1,969
Other	52,215	53,326
Total administration expenses	112,837	101,994
Note 4E: 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	-	-
Total grants or donations	-	-

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2018

	2018	2017
	\$	\$
Note 4F: Legal costs		
Litigation	-	-
Other legal matters	-	-
Total legal costs	-	-
 Note 4D: Other expenses		
Penalties - via RO Act or RO Regulations	-	-
Total other expenses	-	-
 Note 5 Current Assets		
Note 5A: Cash and Cash Equivalents		
Cash at bank	328,598	237,425
Short term deposits	-	74,164
Total cash and cash equivalents	328,598	311,589
 Note 5B: Trade and Other Receivables		
Receivables from other reporting unit[s]		
Total receivables from other reporting unit[s]	-	-
Less provision for doubtful debts		
Total provision for doubtful debts	-	-
Total receivables from other reporting unit[s] (net)	-	-
 Other receivables:		
GST receivable from the Australian Taxation Office	4,664	4,951
Other trade receivables	6,305	5,835
Total other receivables	10,969	10,786
Total trade and other receivables (net)	10,969	10,786
 Note 5C: Other Current Assets		
Stock on hand	1,185	1,950
Prepayments	2,240	6,478
Total other current assets	3,425	8,428

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2018

2018 2017
 \$ \$

Note 6 Current Liabilities

Note 6A: Trade payables

Trade creditors and accruals	10,864	-
Subtotal trade creditors	10,864	-
Payables to other reporting unit[s]		
Subtotal payables to other reporting unit[s]	-	-
Total trade payables	-	-

Settlement is usually made within 30 days.

Note 6B: Other payables

Payable to employers for making payroll deductions of membership subscriptions	-	-
Legal costs	-	-
Prepayments received	5,733	-
Total other payables	5,733	-

Total other payables are expected to be settled in:

No more than 12 months	5,733	-
More than 12 months	-	-
Total other payables	5,733	-

Note 7 Provisions

Note 7A: Employee entitlements

Office Holders:

Annual leave	-	-
Long service leave	-	-
Subtotal employee provisions—office holders	-	-

Employees other than office holders:

Annual leave	-	-
Long service leave	-	-
Subtotal employee provisions—employees other than office holders	-	-

Total employee provisions

Total employee provisions	-	-
Current	-	-
Non Current	-	-
Total employee provisions	-	-

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2018

	2018	2017
	\$	\$
Note 8 Equity		
Note 8A: Funds		
General Fund		
Balance as at start of year	112,413	112,413
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	112,413	112,413
Total Reserves	112,413	112,413

Note 9 Cash Flow

Note 9A: 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	328,598	311,589
Statement of financial position	328,598	311,589
<i>Difference</i>	-	-

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

Profit/(deficit) for the year	(4,408)	(10,605)
Changes in assets/liabilities		
(Increase)/decrease in trade and other receivables	(182)	1,449
(Increase)/decrease in inventories	765	(633)
(Increase)/decrease in prepayments	4,237	(6,477)
Increase/(decrease) in supplier payables	-	-
Increase/(decrease) in other payables	16,596	(986)
Net cash from (used by) operating activities	17,009	(17,252)

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2018

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 2018.

Capital commitments

At 30 November 2018 the entity has commitments of \$Nil (2017:Nil).

Finance lease commitments—as lessee

There are no finance lease commitments as at 30 November 2018.

Other contingent assets or liabilities

The entity is not subject to any other contingent obligations for the year ended 30 November 2018.

Note 9 Related Party Disclosures

Note 9A: Related Party Transactions for the Reporting Period

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

	2018	2017
	\$	\$
Expenses paid to Michael Schofield includes the following:		
President's Honorarium	<u>5,000</u>	<u>5,000</u>
Expenses paid to Jason Letchford includes the following:		
Secretarial, administrative and bookkeeping services	<u>45,500</u>	<u>44,300</u>
Rent	<u>8,295</u>	<u>8,035</u>

Terms and conditions of transactions with related parties

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

The fees paid to Jason Letchford are paid to his sole trader business for services provided in maintaining the books and records of the Association as the Association has no employees. The terms are on normal commercial terms agreed by the Committee of Members.

The Association has no permanent address and therefore rent is paid to Jason Letchford for the use of his property in conducting the business of the Association. These payments are made in agreement with the Committee of Members.

There are no amounts payable to or receivable from any related party as at 30 November 2018.

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2018

Note 10 Remuneration of Auditors

	2018	2017
	\$	\$
Value of the services provided		
Financial statement audit services	5,417	4,500
Other services	-	-
Total remuneration of auditors	<u>5,417</u>	<u>4,500</u>

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

Note 11 Financial Instruments

Financial Assets

Held-to-maturity investments:

Cash at bank	328,598	311,589
Total	<u>328,598</u>	<u>311,589</u>

Loans and receivables:

Trade receivables	6,305	5,835
GST receivable	4,663	4,952
Total	<u>10,968</u>	<u>10,787</u>
Carrying amount of financial assets	<u>339,566</u>	<u>322,376</u>

Financial Liabilities

Other financial liabilities:

Trade payables	10,864	-
Total	<u>10,864</u>	<u>-</u>
Carrying amount of financial liabilities	<u>10,864</u>	<u>-</u>

Interest Rate Risk

The following details the Association's exposures to interest rates risk as at 30 November 2018:

- Cash on hand of \$311,589.26 attracting a variable interest rate of 2%-2.5% (2017:\$328,841.35 at 2%-2.5%)

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contracted obligations resulting in financial loss to the Association. The Association 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 Association 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 Association's maximum financial exposure to credit risk without taking account of the value of any collateral or other security obtained.

THE SHEARING CONTRACTORS ASSOCIATION OF AUSTRALIA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2018

Note 12 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).



15 May 2019

Jason Letchford
Secretary
Shearing Contractors' Association of Australia
Sent via email: scaa@scaa.org.au

Dear Jason Letchford,

Lodgement of Financial Report - Reminder to lodge

The Registered Organisations Commission's (**the ROC**) records disclose that the financial year of the Shearing Contractors' Association of Australia (**the reporting unit**) ended on the 30 November 2018.

As you would be aware, the *Fair Work (Registered Organisations) Act 2009* (**the RO Act**) requires that a reporting unit prepare a financial report in accordance with the RO Act, make it available to the members and then must lodge the financial report within 14 days after the general meeting of members, or if the rules of the reporting unit allow, the Committee of Management meeting (s.268).

The maximum period of time allowed under the RO Act for the full financial report to be presented to a general meeting of members or a committee of management meeting is six months after the expiry date of its financial year (s.253, s254, s265, s.266, s.268). The full report must be lodged with the ROC within 14 days of that meeting.

The ROC encourages your reporting unit to lodge its financial report at the earliest opportunity in order to ensure compliance with its obligations. Failure of a reporting unit to lodge its financial report is a breach of a civil penalty provision of the RO Act. This can result in the Commissioner instituting an inquiry or investigation into a reporting unit's non-compliance under Chapter 11, Part 4 of the RO Act. The actions available to the Commissioner following an investigation include issuing Federal Court legal proceedings for breach of a civil penalty provision. The orders available to the Federal Court include imposition of a pecuniary penalty on the organisation or individual officer, whose conduct led to the contravention, of up to \$105,000 per contravention on the organisation and up to \$21,000 per contravention on an officer whose conduct led to the contravention.

We encourage you to lodge the full financial report directly to regorgs@roc.gov.au. That is the official email address for electronic lodgements of material related to registered organisations matters.

Should you seek any clarification in relation to the above, please contact me on 1300 341 665 or via email at regorgs@roc.gov.au.

Yours faithfully,

Kylie Ngo
Registered Organisations Commission



7 December 2018

Mr Jason Letchford
Secretary
Shearing Contractors' Association of Australia
By Email: scaa@scaa.org.au

Dear Mr Letchford,

**Re: Lodgement of Financial Report - [FR2018/295]
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Shearing Contractors' Association of Australia (the reporting unit) ended on 30 November 2018. This is a courtesy letter to remind you of the reporting unit's obligations regarding financial reporting.

Loans Grants and Donations Statement

The reporting unit is required to lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 of the RO Act requires this statement to be lodged with the Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, namely on or before 28 February 2019.

The attached fact sheet *Loans Grants and Donations (FS 009)* summarises the requirements of the Loans Grants and Donations Statement. A sample statement of loans, grants or donations is available on our [website](#).

It should be noted that s.237 is a civil penalty provision. If a loan, grant or donation over \$1000 has been made, failure to lodge a statement of loans, grants and donations (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty. Currently penalties are up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual and may be imposed upon your organisation and/or an officer whose conduct led to the contravention.

Financial report

The RO Act sets out a particular chronological order in which your financial report must be prepared, audited, provided to members, presented to a meeting and then lodged with the ROC. The attached document *Summary of Financial Reporting timelines (FS 008)* summarises these requirements.

We emphasise that the reporting unit is required to present its audited financial report to a meeting (either of members or of the committee of management, depending on its rules) no later than 31 May 2019 (s.266). The full financial report must be lodged with the ROC within 14 days of that meeting (s.268).

When assessing your financial report, we will continue to focus closely on timelines as well as how loans, grants and donations are reported (see attached *Loans Grants and Donations* fact sheet FS 009). The financial report must break down the amounts of grants and donations and these figures will be compared to the loans, grants and donations statement.

You can visit our website for more information regarding [financial reporting](#), and fact sheets regarding [financial reporting processes and requirements](#). A model set of financial statements developed by the ROC is also available on our website. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards.

It should be noted that s.268 of the RO Act is a civil penalty provision. Failure to lodge the full financial report (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty, as set out above, being imposed upon your organisation and/or an officer whose conduct led to the contravention (s.268).

Auditor's report

When assessing the financial report we will also focus on the structure and content of the auditor's report to ensure that it complies with the revisions made to the Auditing Standards which came into operation with effect from 15 December 2016. Please find [here](#) a link to guidance note *Illustrative Auditor's Report* (GN 004) relating to these requirements (also available on our website).

REMINDER

YOUR AUDITOR MUST BE REGISTERED (s.256)

You must ensure that your auditor is registered by the Registered Organisations Commissioner. A list of registered auditors is available on our [website](#).

Contact

Should you require any clarification in relation to the above, please email regorgs@roc.gov.au.

Yours faithfully,



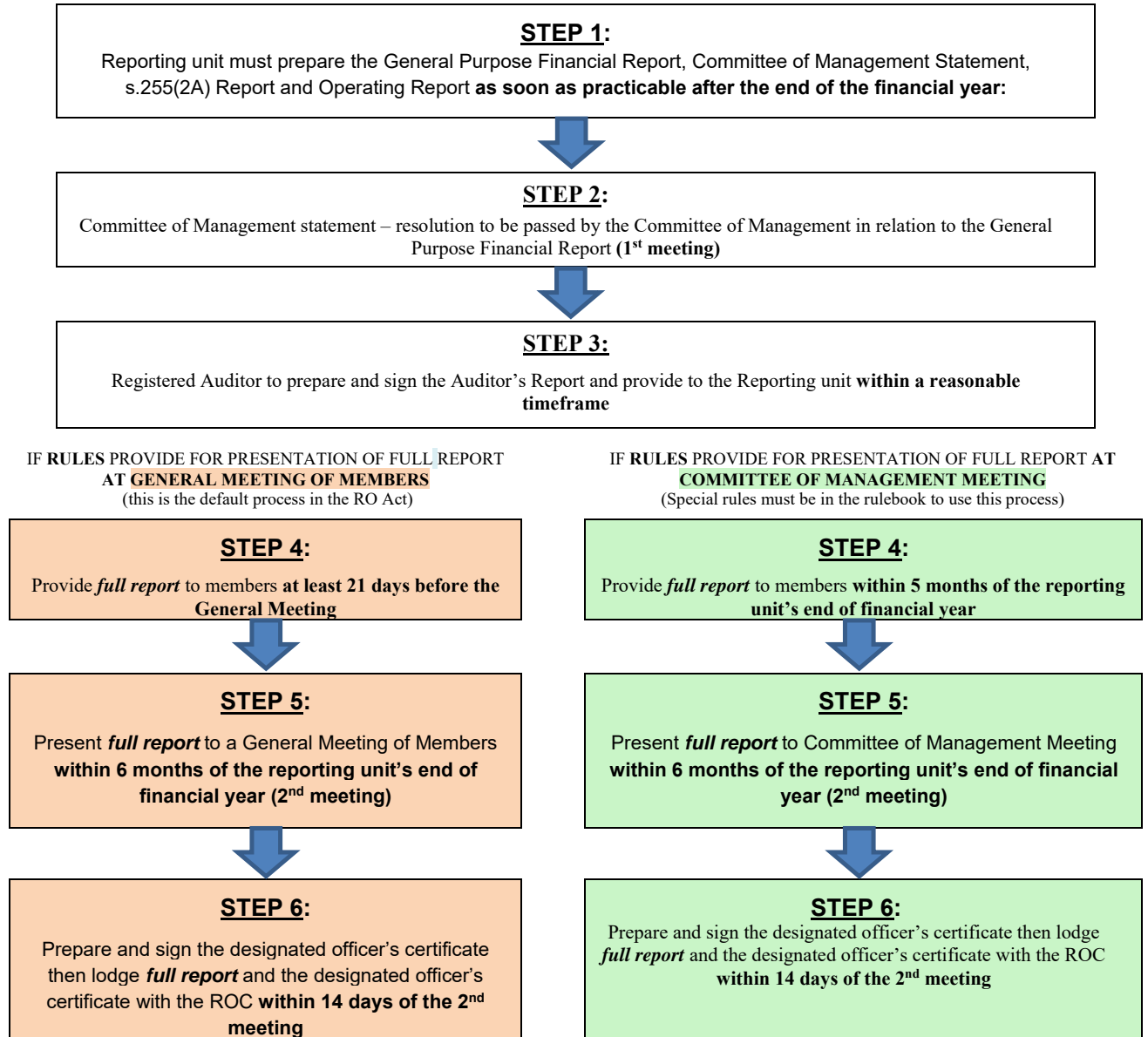
Sam Gallichio
Registered Organisations Commission

Fact sheet

Summary of financial reporting timelines – s.253 financial reports

General Information:

- The **full report** consists of the General Purpose Financial Report, Committee of Management Statement, Operating report, s.255(2A) Report and signed Auditors' Report
- For an explanation of each of the steps below see our [Fact sheet—financial reporting process](#).



Fact sheet



Australian Government
Registered Organisations Commission

FS 009
(19 June 2017)

Fact sheet

Loans, Grants & Donations

The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the Commissioner's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.





The Loans, Grants & Donations Statement



Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceeds \$1000. The following information must be supplied to the Registered Organisations Commission (the ROC) for each relevant loan, grant or donation:

- the amount,
- the purpose,
- the security (if it is a loan),
- the name and address of the person to whom it was made,* and
- the arrangements for repaying the loan.*

*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the ROC has a [Template Loans, Grants and Donations Statement](#) on its website. The ROC encourages branches and organisations to lodge the statement even if all of the figures are NIL. Common misconceptions Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
 Only reporting units must lodge the Statement.	 All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
 Employees can sign the Statement.	 The statement must be signed by an elected officer of the relevant branch.

	Statements can be lodged with the financial report.		The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.
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Grants & Donations within the Financial Report

Item 16(e) of the Commissioner’s Reporting Guidelines requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines. In the [ROC's Model Statements](#) the note appears as follows:

Note 4E: Grants OR donations*

Grants:	[Current year]	[Previous year]
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	-	-
Total grants or donations	-	-

The Commissioner’s Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

Implications for filing the Financial Report

During their review of the financial report staff of the ROC may confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their last financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the website.

Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the ROC on regorgs@roc.gov.au

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This fact sheet is not intended to be comprehensive. It is designed to assist in gaining an understanding of the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice