



FR 2005/665

14 July 2006

Lynette Markovski  
Statutory Services Branch  
Australian Industrial Registry  
Level 35, Nauru House  
80 Collins Street  
MELBOURNE VIC 3000

Dear Ms Markovski,

**Victorian Farmers Federation Industrial Association Financial Statements**

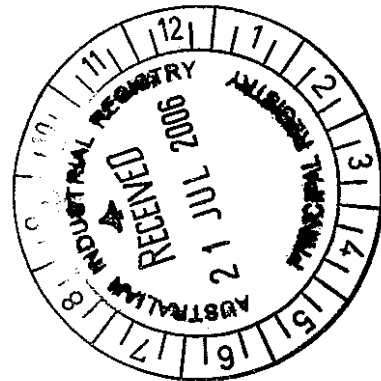
The enclosed documents are the copies of the Victorian Farmers Federation Industrial Association (VFFIA) financial statements for the year ending 31 December 2005 that were presented to the Annual General Meeting on Tuesday, 11 July 2006.

Please also find enclosed the signed Certificate of the Authorised Officer, the VFFIA Treasurer, Mr James Hinton.

Please contact me on 9207 5511 if you have any queries.

Yours Sincerely

**Patricia Murdock**  
**Executive Manager HR & IR**



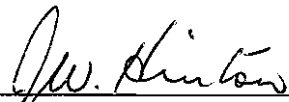
VICTORIAN FARMERS FEDERATION  
INDUSTRIAL ASSOCIATION  
FARRER HOUSE  
24 - 28 COLLINS STREET  
MELBOURNE, VICTORIA 3000  
TELEPHONE: (03) 9207 5555  
FACSIMILE: (03) 9207 5500

## **Certificate of Secretary or other Authorised Officer<sup>1</sup>**

S268 of Schedule 1B *Workplace Relations Act 1996*

I, James Hinton being the Treasurer of the Victorian Farmers Federation Industrial Association Executive Committee certify:

- That the documents lodged herewith are copies of the full report, referred to in s268 of the RAO Schedule; and
- That the full report, was provided to members on approximately 15 June 2006; and
- That the full report was presented to a general meeting of members on 11 July 2006 in accordance with section 266 of the RAO Schedule.

Signature 

Date: 11 07 2006.

---

<sup>1</sup> RAO regulation 162 prescribes the designed officer for the purpose of RAO Schedule s268 as:

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

**VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION**

**FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2005**

## **VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION**

### **COMMITTEE'S OPERATIONS REPORT**

Your committee members present their report on the association for the financial year ended 31 December 2005.

#### **Committee Members**

The names of Committee of Management members in office at any time during, or since the end of the year are:

Alan Heard Bowman  
Brian Ahmed (*From 13 July 2005*)  
Terence Anthony Burgi (*To 12 July 2005*)  
James William Hinton  
Colin McCormack (*From 13 July 2005*)  
Luigi Napolitano (*To 12 July 2005*)  
William Schreurs (*From 13 July 2005*)  
Robert John Tully (*To 12 July 2005*)  
Charles William Whitehead

Committee members have been in office since the start of the financial year to the date of this reporting unless otherwise stated.

#### **Operating Results**

The profit/loss of the association for the financial year after providing for income tax amounted to \$Nil (2004: \$Nil).

#### **Significant changes in state of affairs**

No significant changes in the association's state of affairs occurred during the financial year.

#### **Principle activities**

The principle activity of the association during the financial year has been promoting the industrial interests of Victorian Farmers. There has been no significant change in the nature of the association's activities during the financial year.

#### **Other Prescribed Information**

In accordance with Regulation 159 of the Workplace Relations (Registration Accountability of Organisations) Regulations -

a) The number of persons that were at the end of the financial year recorded in the register of members for sec 230 of the RAO Schedule and who were taken to be members of the association under sec 244 of the RAO Schedule was 2,573.

b) The number of persons that were at the end of the financial year employees of the association including both full time and part time employees measured on a full time equivalent basis was Nil.

#### **Adoption of Australian equivalents to International Financial Reporting Standards**

As a result of the introduction of Australian equivalents to International Financial Reporting Standards (IFRS), the association's financial report has been prepared in accordance with those standards. No adjustments have been recognised upon translation to IFRS (Refer to Note 1).

**VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION**

**COMMITTEE MEMBERS REPORT**

**After balance date events**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the association, the results of those operations, or the state of affairs of the association in future financial years.

**Likely developments**

Likely developments of the association and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the entity.

**Environmental issues**

The association's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

**Indemnifying Officers or Auditors**

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the association.

**Proceedings on behalf of the Association**


No person has applied for leave of court to bring proceedings on behalf of the association or intervene in any proceeding to which the association is a party for the purpose of taking responsibility on behalf of the association for all or any part of those proceedings. The association was not a party to any such proceedings during the year.

**Auditor's Independence Declaration**

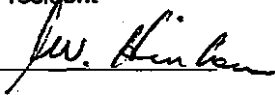
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 18.

Signed for and on behalf of the Committee of Management.

Committee Member

  
President

Committee Member

  
TREASURER

Dated this 4 day of APRIL 2006.

**VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION**

**INCOME STATEMENT  
FOR THE YEAR ENDED  
31 DECEMBER 2005**

		2005	2004
	Note	\$	\$
Revenue	3	797,630	842,276
Other expenses	4	<u>(797,630)</u>	<u>(842,276)</u>
Loss before income tax		-	-
Income tax expense	1(a)	<u>-</u>	<u>-</u>
Loss attributable to members of the parent entity		<u><u>-</u></u>	<u><u>-</u></u>

The accompanying notes form part of these financial statements.

# VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION

## BALANCE SHEET AS AT 31 DECEMBER 2005

	Note	2005 \$	2004 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	89	269
Other current assets	6	8,189	8,009
<b>TOTAL CURRENT ASSETS</b>		<u>8,278</u>	<u>8,278</u>
<b>TOTAL ASSETS</b>		<u>8,278</u>	<u>8,278</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	125,722	125,722
<b>TOTAL CURRENT LIABILITIES</b>		<u>125,722</u>	<u>125,722</u>
<b>NET ASSETS</b>		<u>(117,444)</u>	<u>(117,444)</u>
<b>EQUITY</b>			
Retained Surpluses		(117,444)	(117,444)
<b>TOTAL EQUITY</b>		<u>(117,444)</u>	<u>(117,444)</u>

The accompanying notes form part of these financial statements.

**VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED  
31 DECEMBER 2005**

	Note	2005 \$	2004 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		-	(185)
Interest received		-	6
Net movement in amounts owing to/(receivable from) related entities		(180)	250
Net cash (used in) operating activities		(180)	71
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net cash (used in) investing activities		-	-
Net (decrease) in cash held		(180)	71
Cash at beginning of financial year		269	198
Cash at end of financial year		89	269

The accompanying notes form part of these financial statements.



VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION

**COMMITTEE OF MANAGEMENT'S CERTIFICATE**

---

On 4 April 2006 the Committee of Management of the Victorian Farmers Federation Industrial Association Executive Committee passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2005:

The Committee of Management declares in relation to the general purpose financial report (GPFR) that in its opinion:

- a) The financial statements and notes comply with Australian Accounting and International Financial Reporting Standards;
- b) The financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- c) The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- d) There are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- e) During the financial year to which the GPFR relates and since the end of that year:
  - i) Meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - ii) The financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - iii) The financial records of the reporting unit have been kept and maintained in accordance with RAO Schedule and the RAO Regulations; and
  - iv) The organisation does not consist of 2 or more reporting units; and
  - v) No information has been requested by a member of the reporting unit or Register pursuant to section 272 of the RAO schedule; and
  - vi) No orders have been made by the commission under section 273 of the RAO schedule during the period.

For the Committee of Management

Title of Office Held - President

.....  
*[Signature]*  
.....  
*[Signature]* TREASURER  
.....

Dated this 4 day of APRIL 2006.

## VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION

### COMMITTEE OF MANAGEMENT'S CERTIFICATE

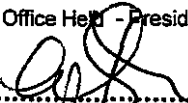
On 4 April 2006 the Committee of Management of the Victorian Farmers Federation Industrial Association Executive Committee passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2005:

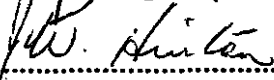
The Committee of Management declares in relation to the general purpose financial report (GPFR) that in its opinion:

- a) The financial statements and notes comply with Australian Accounting and International Financial Reporting Standards;
- b) The financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- c) The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- d) There are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- e) During the financial year to which the GPFR relates and since the end of that year:
  - i) Meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - ii) The financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - iii) The financial records of the reporting unit have been kept and maintained in accordance with RAO Schedule and the RAO Regulations; and
  - iv) The organisation does not consist of 2 or more reporting units; and
  - v) No information has been requested by a member of the reporting unit or Register pursuant to section 272 of the RAO schedule; and
  - vi) No orders have been made by the commission under section 273 of the RAO schedule during the period.

For the Committee of Management

Title of Office Held - President

  
.....

 TREASURER  
.....

Dated this 4 day of APRIL 2006.



**COFFEY HUNT**

**CHARTERED  
ACCOUNTANTS**

**PARTNERS**

John F. Hunt F.C.A.  
Lindsay Bullivant F.C.A.  
Peter J. Haylock C.A.  
Mark G. Dickson C.A.  
Christopher J. Kol C.A.  
James E. Mahony C.A.  
Michael P. Gunn C.A.

**ADDRESS**

199 Kororoit Street  
P.O. Box 677  
Warrnambool  
VIC 3280

**TELEPHONE**

(03) 5562 3544

**FAX**

(03) 5562 0689

**WEBSITE**

[www.coffeyhunt.com.au](http://www.coffeyhunt.com.au)

**DX**

DX 28023  
Warrnambool



**VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION**

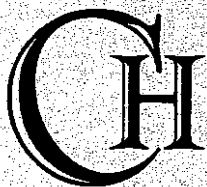
**AUDITOR'S INDEPENDENCE DECLARATION**  
**UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**  
**TO THE DIRECTORS OF VICTORIAN FARMERS FEDERATION**  
**INDUSTRIAL ASSOCIATION**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2005 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

**C.J. KOL**  
**PARTNER**  
**COFFEY HUNT**

Dated at Warrnambool: 5<sup>th</sup> April 2006



**COFFEY HUNT**

**CHARTERED  
ACCOUNTANTS**

**PARTNERS**

John F. Hunt F.C.A.  
Lindsay Bullivant F.C.A.  
Peter J. Haylock C.A.  
Mark G. Dickson C.A.  
Christopher J. Kol C.A.  
James E. Mahony C.A.  
Michael P. Gunn C.A.

**ADDRESS**

199 Kororoit Street  
P.O. Box 677  
Warrnambool  
VIC 3280

**TELEPHONE**

(03) 5562 3544

**FAX**

(03) 5562 0689

**WEBSITE**

[www.coffeyhunt.com.au](http://www.coffeyhunt.com.au)

**DX**

DX 28023  
Warrnambool



**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION**

**Scope**

The financial report comprises the income statement, balance sheet, statement of changes in equities, cash flow statement, accompanying notes to the financial statements, and the statement by members of committee for Victorian Farmers Federation Industrial Association, for the year ended 31 December 2005. The Committee of the association is responsible for the preparation of the financial report in accordance with the requirements of the Associations Incorporation Act of Victoria 1981. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the association.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the Association's financial position, and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

**Independence**

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

**Audit Opinion**

In our opinion, the financial report of Victorian Farmers Federation Industrial Association presents a true and fair view in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of Victorian Farmers Federation Industrial Association as at 31 December 2005 and the results of its operations and its cash flows for the year then ended.

*Coffey Hunt*

**COFFEY HUNT  
CHARTERED ACCOUNTANTS**

*Chris Kol*

**C.J. KOL  
PARTNER**

Dated at Warrnambool, 5<sup>th</sup> April 2006.

# **VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005**

### **Note 1: Statement of Significant Accounting Policies**

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers the economic entity of Victorian Farmers Federation Industrial Association, and is a company limited by guarantee, incorporated and domiciled in Australia.

The financial report of Victorian Farmers Federation Industrial Association comply with all Australian equivalents to International Financial Reporting Standards (IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

### **Basis of Preparation**

#### *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*

Victorian Farmers Federation Industrial Association have prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (IFRS) from 1 January 2005.

In accordance with the requirements of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments to the entity accounts resulting from the introduction of IFRS have been applied retrospectively to 2004 comparatives figures excluding cases where optional exemptions available under AASB 1 have been applied. These consolidated accounts are the first financial statements of Victorian Farmers Federation Industrial Association to be prepared

The accounting policies set out below have been consistently applied to all years presented. The entity have however elected to adopt the exemptions available under AASB 1 relating to AASB 132: Financial Instruments: Disclosure and Presentation, and AASB 139: Financial Instruments: Recognition and Measurement. Refer to Note ~~12~~ for further details.

12

Reconciliations of the transition from previous Australian GAAP to IFRS have been included in Note 2 to this report.

#### *Reporting Basis and Conventions*

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

# **VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005**

### **Note 1: Statement of Significant Accounting Policies (Cont)**

#### **Accounting Policies**

##### **(a) Income tax**

No provision for income tax is made as the Association (being an association not carried on for the purpose of profit or gain to the individual members thereof and being established for the purpose of promoting the development of the agricultural and pastoral resources of Australia) is exempt from income tax under section 23(h) of the Income Tax Assessment Act 1936 (as amended).

##### **(b) Financial Instruments**

###### **Recognition**

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognised these instruments are measured as set out below.

###### **Financial assets at fair value through profit and loss**

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in fair value of these assets are included in the income statement in the period in which they arise.

###### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised costs using the effective interest rate method.

**VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2005**

**Note 1: Statement of Significant Accounting Policies (Cont)**

**(b) Financial Instruments (Cont)**

**Financial Liabilities**

Non-derivative financial liabilities are recognised at amortised cost, comprising original debts less principal payments and amortisation.

**Fair Value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including arm's length transactions, reference to similar instruments and option pricing models.

**Impairment**

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

**(c) Impairment of Assets**

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

# **VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005**

### **Note 1: Statement of Significant Accounting Policies (Cont)**

#### **(d) Provisions**

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

#### **(e) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

#### **(f) Revenue**

Subscription income is recognised when received or entitled to be received.

#### **(g) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.



# **VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005**

### **Note 1: Statement of Significant Accounting Policies (Cont)**

#### **(h) Compative Figures**

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

#### **Critical accounting estimates and judgments**

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

#### ***Key estimates - Impairment***

The entity assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

## **VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005**

#### **Note 2 a) : Information to be provided to Members or Registrar**

In accordance with the requirements of Schedule 1B of the Workplace Relations Act 1996, as amended, the attention of members is drawn to the provisions of sub-section (1), (2) and (3) of Section 272 of Schedule 1B, which reads as follows:

- (1) A member of a reporting unit, or a Registrar, 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 made in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must be no 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).

#### **Note 2 b) : Going concern**

For the year ended 31 December 2005 the Association incurred a break-even result and at that date had net liabilities of \$117,444 and a working capital of \$8,278.

The association's total liabilities of \$125,722 is owed to the Victorian Farmers Federation (VFF). Under an agreement between the VFF and the Association the VFF has agreed not to request repayment of the debt while the agreement remains in operation. The agreement, among other things also refers to the VFF providing all services to the Association and the Association remitting all of its income to the VFF as payment for services provided.

As a consequence, the Executive Committee of the Association believes that the Association can continue to operate and meet its obligations as and when they fall due. The accounts of the Association have accordingly been prepared on the basis that the Association is a going concern.

# VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

	Note	2005 \$	2004 \$
<b>Note 3: Revenue</b>			
Operating Activities			
- Subscriptions		797,630	842,270
- Interest		-	6
Total Revenue		<u>797,630</u>	<u>842,276</u>

### **Note 4: Profit from Ordinary Activities**

#### **Expenses**

Other expenses from ordinary activities

- Bank fees	-	185
- Service Fee	797,630	842,091
Total other expenses	<u>797,630</u>	<u>842,276</u>

### **Note 5: Cash Assets**

Cash at bank and on hand

89	269
<u>89</u>	<u>269</u>

Reconciliation of cash

statement is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	11	89	269
		<u>89</u>	<u>269</u>

### **Note 6: Other Assets**

Other	4,259	4,259
Loan to related party	3,930	3,750
	<u>8,189</u>	<u>8,009</u>

# VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

	2005	2004
	\$	\$
<b>Note 7: Payables</b>		
Unsecured liabilities		
Amounts payable to:		
- Other related parties	<u>125,722</u>	<u>125,722</u>
	<u>125,722</u>	<u>125,722</u>

### **Note 8: Contingent Liabilities**

There were no contingent liabilities as at 31 December 2005. \$ -      \$ -

### **Note 9: Segment Reporting**

The entity operates in one business, being the promotion of farmer member's industrial interests in the state of Victoria, Australia.

### **Note 10: Events After the Balance Sheet Date**

There have been no material post balance date events or transactions which are likely to affect the financial position or performance of the entity.

### **Note 11: Cash Flow Information**

#### **(a) Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax**

Profit from ordinary activities after income tax -      -

#### **(b) Credit Stand by Arrangement and Loan Facilities**

The entity has no arrangements or facilities.

# **VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **Note 12: Financial Instruments**

#### **(a) Financial Risk Management**

The entity's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and accounts payable.

The main purpose of non-derivative financial instruments is to raise finance for group operations.

The entity does not have any derivative instruments at 31 December 2005.

#### **Financial Risks**

The main risks the group is exposed to through its financial instruments are liquidity risk and credit risk.

##### **Liquidity risk**

The entity manages liquidity risk by monitoring forecast cash flows and ensuring that adequate facilities are maintained.

##### **Credit risk**

The maximum exposure to credit risk, at balance date, to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the group.

# VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

### Note 12: Financial Instruments (Cont.)

	Weighted Average Effective Interest Rate		Floating Interest Rate		Within 1 Year		1 to 5 years		Non-interest Bearing		Total	
	2005 %	2004 %	2005 \$	2004 \$	2005 \$	2004 \$	2005 \$	2004 \$	2005 \$	2004 \$	2005 \$	2004 \$
<b>Financial Assets:</b>												
Cash and cash equivalents	5.35	5.39	89	269							89	269
Receivables									3,930	3,750	3,930	3,750
<b>Total Financial Assets</b>			<b>89</b>	<b>269</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,930</b>	<b>3,750</b>	<b>4,019</b>	<b>4,019</b>
<b>Financial Liabilities</b>												
Trade and other payables									125,722	125,722	125,722	125,722
<b>Total Financial Liabilities</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>125,722</b>	<b>125,722</b>	<b>125,722</b>	<b>125,722</b>

### Note 13: Company Details

The registered office and principal place of business of the company is:

Victorian Farmers Federation  
Level 5, 24-28 Collins Street  
Melbourne VIC 3000



Mr James Hinton  
Treasurer  
Victorian Farmers Federation Industrial Association  
24-28 Collins Street  
Melbourne Victoria 3000

Dear Mr Hinton

**Schedule 1 of the Workplace Relations Act (The RAO Schedule)  
Financial reports for year ended 31 December 2005 – FR2005/665**

I have received the financial reports of your organisation for the year ended 31 December 2005. The documents were lodged in the Australian Industrial Registry on 21 July 2006.

The documents have been filed.

There are some areas of concern that I need to raise with you and request that they be addressed when preparing your next set of financial reports.

**Operating Report**

Whilst we are appreciative that an Operating Report has been produced this year, listed below are a number of matters for inclusion that requires some fine tuning of the report. You will find each of these requirements listed in subsection 254(2) of the RAO Schedule.

(a) Paragraph 254(2)(b) seeks details “of any **significant changes in the reporting unit’s financial affairs** during the year..” It would appear that the sentence in your Operating Report under the sub-heading “significant changes in state of affairs” seeks to address this reporting requirement. I would ask that in future the word “financial” is added to clarify that this is specifically what is being commented on. Unfortunately the “Operating Report Checklist” sent to you by Ms Lynette Markovski of the Statutory Services Branch of the Registry as an attachment to her letter dated 21 September 2005 may have confused as it stated “Does the report give details of significant changes?” without any further question re significant changes in financial affairs.

(b) Paragraph 254(2)(c) requires the Operating Report to give details of the **right to members to resign** from the reporting unit under section 174 of the RAO Schedule. Please include this information in your next operating report.

(c) Paragraph 254(2)(d) prescribes that the Operating Report must..”give details (including details of the position held) of any officer or member of the reporting unit who is:

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

where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation,..”

The Operating Report made no reference to this area of superannuation. If no officer or member of the Association holds any such position in relation to a superannuation fund, then we strongly recommend that the operating report confirms this to be the case to avoid any confusion or ambiguity.

- (c) RAO Regulation 159(c) requires the names of persons who had been **members of the Committee of Management** at any time during the reporting period and the period during which he or she held such an position. In future please restrict the information being provided in relation to COM membership to just the relevant 12 month reporting period. In so doing, the words used in this year's Operational Report of "...or since the end of the year.." need no longer appear.

### **Auditor's Report**

Subsection 257(5) of the RAO Schedule requires the auditor to express an opinion as to whether the General purpose Financial Report (GPFR) is presented fairly in accordance with any of the following that apply in relation to the Association:

- (a) the Australian Accounting Standards
- (b) any other requirements imposed by Part 3 of Chapter 8 of the RAO Schedule.

The Audit Opinion expressed in the Audit Report could be clearer re adherence to applicable Australian Accounting Standards . It is totally silent in regards to the GPFR complying with the requirements imposed by the Industrial Registrar's Reporting Guidelines. It also refers to the financial documents as a "financial report" rather than confirming them to be a GPFR (as defined by subsection 253(2) ).

Ms Markovski in her letter to you dated 21 September 2005 suggested that the auditor's opinion be expressed in the following terms:

"In our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting standards and the requirements imposed by Part 3 of Chapter 8 of Schedule 1 of the Workplace Relations Act 1996".

I strongly recommend that her suggestion be adopted but in any event the wording of the audit opinion must fully satisfy the requirements of subsection 257(5).

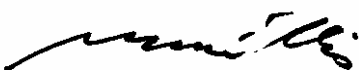
### **Timeframe for conduct of a general meeting of members**

Subsection 266(1) of the RAO Schedule requires a full report to be presented to a general meeting of members within 6 months of the end of financial year. By conducting the AGM on 11 July 2006 resulted in it being 11 days later than allowed. Please ensure the necessary timelines are complied with.

For your information under the provisions of subsection 265(5) of the RAO Schedule an application may be made to a Registrar to extend the period during which the general meeting may be held by up to one month.

I have forwarded a copy of this letter to your auditor for his information.

Yours sincerely,



Michael Ellis  
Deputy Industrial Registrar

11 September 2006

cc Coffey Hunt  
Chartered Accountants



Warrnambool Vic 3280  
Attention: Mr C.J.Kol Partner