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AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION - FEDERAL COUNCIL

ABN 12 206 758 691

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – FEDERAL COUNCIL
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FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

CONTENTS

	Page No
Committee of Management's Operating Report	1
Committee of Management Statement	4
Auditor's Independence Declaration	5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Statement of Receipts and Payments for Recovery of Wages Activity	10
Notes to the Financial Statements	11
Independent Audit Report	37

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – FEDERAL COUNCIL
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COMMITTEE OF MANAGEMENT'S OPERATING REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2016

Operating Report

In accordance with section 254 of the *Fair Work (Registered Organisations) Act 2009* ("Act") the Committee of Management ("the Committee") presents its Operating Report on the Australasian Meat Industry Employees Union – Federal Council ("Council"), for the year ended 30 June 2016

Principal Activities

The principal activity of the Australasian Meat Industry Employees Union – Federal Council is was to act on behalf of members in pursuit of the Objects of the Council (as detailed on page 36 of the financial report)

Operating Results

The surplus for the financial year amounted to $8,359 (2015 deficit $112,090)

Significant Changes in Financial Affairs

A review of the operations of the Council during the financial year found that there was no significant change in the financial affairs of the Council's operations during the year

After Balance Date Events

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

Future Developments

Likely developments in the operations of the Council or the expected result of those operations in future financial years have not been included in this report as such information is likely to result in unreasonable prejudice to the Council

Environmental Issues

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

Members Right to Resign

A member may resign from the Council by written notice addressed and delivered to the Secretary of the Branch in which membership is held

Membership of the Council

Number of members as at 30 June 2016 17,913 (2015 18,396)

Employees of the Council

The number of persons who were, at the end of the period to which the report relates, employees of the Council, where the number of employees include both full-time and part-time employees measured on a full-time equivalent basis is 2 0 (2015 1 0)

COMMITTEE OF MANAGEMENT'S OPERATING REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

Members of the Committee of Management

The name of each person who has been a member of the Committee of Management of the Council at any time during the reporting period, and the period for which he or she held such a position is as follows

Name	Period of appointment
Anderson, Sharra	Whole Period
Baker, Troy	Whole Period
Chalkley, Barrie	Whole Period
Challinger, Scott	Whole Period
Cooke, Mark	Whole Period
Conway, Paul	Whole Period
Courtney, Grant	Whole Period
Crawford, Brian	Whole Period
Da Silva, John	Whole Period
Donovan, Howard	Whole Period
Donzow, Charles	Whole Period
Earle, Warren	Appointed 19 October 2015
Evans, Gwynnyth	Whole Period
Fernandez, Patricia	Whole Period
Journeaux, Matt	Whole Period
Jowett, Brendan	Resigned 14 October 2015
Nichols, Peter	Resigned 1 July 2015
Richter, Melanie	Appointed 14 October 2015
Sich, Kaine	Whole Period
Smith, Graham	Whole Period
Smith, Justin	Whole Period
Usher, Peter	Whole Period

Indemnifying Officers or Auditors

The Council has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor

- indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings, or
- paid or agreed to pay a premium in respect of a contract insuring against liability for the costs or expenses to defend legal proceedings

Wages Recovery Activity

The Council has not undertaken any recovery of wages activity for the financial years ended 30 June 2016 and 30 June 2015

Other Information

There is no other information that the Council considers relevant

Officers or Members who are Superannuation Fund Trustees/ Director of a Company that is a Superannuation Fund Trustee

Those who hold a position of trustee or director of an entity, scheme or company as described in s 254 (2) (d) of *Fair Work (Registered Organisations) Act 2009*, where a criterion of such entity is that the holder of such position must be a member or official of a registered organisation are as follows

Brian Crawford	- Member and Committee of Management Member on behalf of the Council - Director of the Trustee of the Meat Industry Employee's Superannuation Fund - Resigned November 2015
Paul Conway	- Member and Committee of Management Member on behalf of the Council - Director of the Trustee of the Meat Industry Employee's Superannuation Fund
Charles Donzow	- Member and Committee of Management Member on behalf of the Council - Director of the Trustee of the Meat Industry Employee's Superannuation Fund - Resigned
Matt Journeaux	- Member and Committee of Management Member on behalf of the Council - Director of the Trustee of the Meat Industry Employee's Superannuation Fund - Appointed November 2015
Patricia Fernandez	- Member and Committee of Management Member on behalf of the Council - Director of the Trustee of the Meat Industry Employee's Superannuation Fund - Appointed

Auditor's Independence Declaration

A copy of the auditor's independence declaration is set out on page 5

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

Graham Smith
Federal Secretary

12 September 2016

Cairns

Patricia Fernandez
Federal President

12 September 2016

Cairns

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – FEDERAL COUNCIL
ABN 12 206 758 691

COMMITTEE OF MANAGEMENT STATEMENT

On 12 September 2016, the Committee of Management of the Council passed the following resolution to the General Purpose Financial statements (GPFR) of the reporting unit for the financial year ended 30 June 2016

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

(a) the financial statements and notes comply with the Australian Accounting Standards,

(b) the financial statements and notes comply with the reporting guidelines of the General Manager,

(c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Council for the financial year to which they relate,

(d) there are reasonable grounds to believe that the Council 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 and the rules of the branch concerned, and

ii the financial affairs of the Council have been managed in accordance with the rules of the organisation including the rules of the branch concerned, and

iii the financial records of the Council have been kept and maintained in accordance with the *RO Act,* and

iv the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation, and

v where information has been sought in any request of a member of the reporting unit or General Manager duly made under section 272 of the RO Act, that information has been provided to the member or General Manager, and

vi there have been no orders for inspection of financial records made by the Fair Work Commission under section 273 of the RO Act during the year

(f) No revenue has been derived from undertaking recovery of wages activity during the reporting year

This declaration is made in accordance with a resolution of the Federal Council

For the Federal Council: Graham Smith

Title of Office held: Federal Secretary

Signature:

Date: 12 September 2016

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AUDITOR'S INDEPENDENCE DECLARATION TO THE COMMITTEE OF MANAGEMENT OF THE AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – FEDERAL COUNCIL

As lead auditor for the audit of the Australasian Meat Industry Employees Union – Federal Council for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit

M.G.I

MGI Audit (Q) Pty Ltd

G I Kent
Director

Cairns

12 September 2016

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AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – FEDERAL COUNCIL
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Notes	2016 $	2015 $
Revenue	2	501,108	386,768
Administration expenses	3(e)	(45,523)	(71,079)
Affiliation fees	3(f)	(106,188)	(86,546)
Depreciation expense	3(a)	(6,879)	(6,548)
Employee benefit expense	3(d)	(215,452)	(231,433)
Grants and donations	3(b)	-	(20)
Legal expenses	3(c)	-	-
Meatworker publication and postage		(22,365)	(40)
Other operating expenses	3(h)	(96,342)	(103,192)
Surplus/(Deficit) before income tax		8,359	(112,090)
Income tax expense	1(a)	-	-
Surplus/ (Deficit) for the year		**8,359**	**(112,090)**
Other Comprehensive Income			
Other comprehensive income (net of income tax)		-	-
Total comprehensive deficit for the year		8,359	(112,090)
Surplus/(Deficit) attributable to			
Members of the Council		8,359	(112,090)
Total comprehensive deficit attributable to			
Members of the Council		8,359	(112,090)

The accompanying notes form part of these financial statements

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – FEDERAL COUNCIL
ABN 12 206 758 691

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Notes	2016 $	2015 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	174,818	169,656
Trade and other receivables	5	2,943	2,808
Other current assets		1,945	1,567
TOTAL CURRENT ASSETS		179,706	174,031
NON-CURRENT ASSETS			
Property, plant and equipment	6	12,420	16,670
TOTAL NON-CURRENT ASSETS		12,420	16,670
TOTAL ASSETS		**192,126**	**190,701**
CURRENT LIABILITIES			
Trade and other payables	7	31,331	51,064
Provisions	8	98,416	85,617
TOTAL CURRENT LIABILITIES		**129,747**	**136,681**
NON-CURRENT LIABILITIES			
Provisions	8	-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		**129,747**	**136,631**
NET ASSETS		**62,379**	**54,020**
MEMBERS EQUITY			
Retained earnings		62,379	54,020
		62,379	**54,020**

The accompanying notes form part of these financial statements

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – FEDERAL COUNCIL
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Retained earnings	Total
	$	$
Balance at 1 July 2014	166,110	116,110
Deficit attributable to members of the Council	(112,090)	(112,090)
Other comprehensive income	-	-
Balance at 30 June 2015	**54,020**	**54,020**
Balance at 1 July 2015		
Surplus attributable to members of the Council	8,359	8,359
Other comprehensive income	-	-
Balance at 30 June 2016	**62,379**	**62,379**

The accompanying notes form part of these financial statements

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – FEDERAL COUNCIL
ABN 12 206 758 691

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	Notes	2016 $	2015 $
Cash Flows from Operating Activities			
Receipts from branches and other customers		541,737	422,600
Payments to suppliers and employees		(538,265)	(604,024)
Interest received		4,319	8,173
Net cash provided by / (used in) operating activities	9(b)	**7,791**	**(173,251)**
Cash Flows from Investing Activities			
Payments for plant and equipment		(2,629)	(1,480)
Proceeds from sale of plant and equipment		-	-
Net cash used in investing activities		**(2,629)**	**(1,480)**
Cash Flows Financing Activities		-	-
Net increase / (decrease) in cash held		**5,162**	**(174,731)**
Cash at beginning of financial year		169,656	344,387
Cash at end of financial year	9(a)	174,818	**169,656**

The accompanying notes form part of these financial statements

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – FEDERAL COUNCIL
ABN 12 206 758 691

STATEMENT OF RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGE ACTIVITY FOR THE YEAR ENDED 30 JUNE 2016

	Notes	2016 $	2015 $
Cash assets in respect of recovery money at beginning of year			
Receipts			
Amount recovered from employers in respect of wages etc		-	-
Interest received on recovered money		-	-
Total Receipts		-	-
Payments			
Deductions of amounts due in respect of membership for			
- 12 months or less		-	-
- greater than 12 months		-	-
Deductions of donations or other contributions to accounts or funds of			
- the Council		-	-
- other entity		-	-
Deductions of fees or reimbursements of expenses		-	-
Payments to workers in respect of recovered money		-	-
Total Payments		-	-
Cash assets in respect of recovery money at end of year		-	-

The accompanying notes form part of these financial statements

AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – FEDERAL COUNCIL
ABN 12 206 758 691

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover the Australasian Meat Industry Employees Union - Federal Council ("Council") as an individual entity The financial statements do not include any transactions relating to the various State Branches Each of the State Branches is a separate reporting unit as defined by the *Fair Work (Registered Organisations) Act 2009* (the 'Act') The Council is a trade union which is incorporated and domiciled in Australia

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Fair Work (Registered Organisations) Act 2009* The Union is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in the financial statements containing relevant and reliable information about transactions, events and conditions Compliance with Australian Accounting Standards ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS) Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated

The financial statements have been prepared, except for cash flow information, on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities The amounts presented in the financial statements have been rounded to the nearest dollar

The financial statements were authorised for issue on 12 September 2016 by the Committee of Management of the Council

(a) Income Tax

The Council is exempt from income tax by virtue of section 50-1 of the *Income Tax Assessment Act 1997*, however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST)

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, at bank, 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 with short-term borrowings in current liabilities on the statement of financial position

(c) Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses

The carrying amount of plant and equipment is reviewed annually by the Council to ensure it is not in excess of the recoverable amount from these assets The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal The expected net cash flows have been discounted to their present values in determining recoverable amounts

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Plant and Equipment (Continued)

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the Council commencing from the time the asset is held ready for use

Depreciation rates used range from 5% – 20%

The asset's residual value and useful lives are reviewed, and adjusted if appropriate, at each reporting period

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount

Gains and losses on disposal are determined by comparing proceeds with the carrying amount These gains or losses are included in the statement of comprehensive income

(d) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument For financial assets, this is equivalent to the date that the Council commits itself to either purchase or sell the asset (i e trade date accounting is adopted) Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are recognised in profit or loss immediately

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost Where available, quoted prices in an active market are used to determine fair value In other circumstances, valuation techniques are adopted

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss

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 recent arm's length transactions, reference to similar instruments and option pricing models

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial Instruments (Continued)

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss

(ii) 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 subsequently measured at amortised cost Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Council's intention to hold these investments to maturity They are subsequently measured at amortised cost Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised

(iv) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments

They are subsequently measured at fair value with any re-measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold within 12 months after the end of the reporting period All other available-for-sale financial assets are classified as current assets

(v) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised

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 recent arm's length transactions

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial Instruments (Continued)

Impairment

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial asset has been impaired A financial asset or a group of financial assets will be deemed to be impaired if, and only if, there is objective evidence of impairment as a result of the occurrence of one or more events (a "loss event"), which has an impact on the estimated future cash flows of the financial asset(s)

In the case of available-for-sale assets, a significant or prolonged decline in the market value of the instrument is considered a loss event Impairment losses are recognised in profit or loss immediately Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point

In the case of financial assets carried at amortised cost, loss events may include indications that the debtors, or a group of debtors, are experiencing significant financial difficulty, default or delinquency in interest or principal payments, indications that they will enter into bankruptcy or other financial reorganisation and changes in arrears or economic conditions that correlate with defaults

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses After having undertaken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the writing off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Council recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss

(e) Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Employee Benefits

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date

Provision is made for separation and redundancy benefit payments Reporting Unit recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations A provision for voluntary termination is recognised when the employee has accepted the offer of termination

Contributions are made by the Council to an employee superannuation fund and are expensed when incurred

(f) Provisions

Provisions are recognised when the Council 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 Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period

(g) Revenue

Revenue is measured at fair value of the consideration received or receivable after taking into account any trade discounts and rebates allowed

Revenue from member contributions is accounted for on an accruals basis and is recorded as revenue in the year to which it relates

Sustentation/ Capitation revenue from Divisions/Divisional Branches is recognised on an accrual basis and is recorded as revenue in the year to which it relates

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument

All revenue is stated net of the amount of goods and services tax ("GST")

(h) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Council during the reporting period which remain unpaid The balance is recognised as a current liability with the amounts normally paid within 30 days of the recognition of the liability

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO) In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense

Receivables and payables in the statement of financial position are shown inclusive of GST The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position

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

(j) Comparative Figures

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

(k) Impairment of Assets

At each reporting date, the Union 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 cost to sell and value in use, is compared to the asset's carrying value Any excess of the assets carrying value over its recoverable amount is expensed to the statement of comprehensive income

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

(l) Trade and Other Receivables

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets All other receivables are classified as non-current assets

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment Refer to Note 1(k) for further discussion on the determination of impairment losses

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Critical Accounting Estimates and Judgement

The Council's Committee of Management evaluates estimates and judgements incorporated into the financial statements 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 Council

Key Estimates

Impairment - general

The Council assesses impairment at each reporting period by evaluation of conditions and events specific to the Council that may be indicative of impairment triggers Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions

No impairment has been recognised in respect of the current year

(n) Adoption of New and Revised Accounting Standards

The Union adopted the following Australian Accounting Standards, together with the relevant consequential amendments arising from related Amending Standards, from the mandatory application date of 1 January 2014

- AASB 10 Consolidated Financial Statements
- AASB 11 Joint Arrangements
- AASB 12 Disclosure of Interest in Other Entities, and
- AASB 127 Separate Financial Statements

The adoption of the above accounting standards did not impact on the financial statements as the Union does not hold any investment in other entities

(o) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Council The Council has decided not to early adopt any of the new and amended pronouncements The Council's assessment of the new and amended pronouncements that are relevant to the Council but applicable in future reporting periods is set out below

- AASB 9 Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018)
  The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) New Accounting Standards for Application in Future Periods (Continued)

The key changes that may affect the Council on initial application of include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of this Standard, the application of such accounting would be largely prospective

- AASB 15 Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15)

  When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers

  The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services To achieve this objective, AASB 15 provides the following five-step process

  - identify the contract(s) with a customer,
  - identify the performance obligations in the contract(s),
  - determine the transaction price,
  - allocate the transaction price to the performance obligations in the contracts, and
  - recognise revenue when (or as) the performance obligations are satisfied

  This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue

- AASB 16 Leases (applicable to annual reporting periods beginning on or after 1 January 2019)
  When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117 Leases and related Interpretations AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases

  The main changes introduced by the new Standard include

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

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) New Accounting Standards for Application in Future Periods (Continued)

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

The Council is still determining whether any adoption of these standards will have any impact on the future reporting periods

(o) Gains

Sale of assets

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

(p) Capitation fees and levies

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

(q) 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

(r) Going Concern

The Council has not entered into an agreement with another reporting unit for financial support to continue on a going concern basis

The Council has not entered into any agreements to provide financial support to another reporting unit to ensure they can continue on a going concern basis

(s) Acquisition of Assets and Liabilities

The Council did not acquire any assets or liabilities during the year as a result of
(a) an amalgamation under Part 2 of Chapter 3 of the RO Act in with the organisation (of which the reporting unit form part) was the amalgamated organisation, or
(b) a restructure of the branches of the organisation, or
(c) a determination by the General Manager under subsection 245(1) of the RO Act of an alternative reporting structure for the organisation, or
(d) a revocation by the General Manager under subsection 245(1)

The Council did not acquire any assets or liabilities during the year as a part of a business combination

(t) Recovery of Wages

The Council has not undertaken any recovery of wages activities during the year or the comparative year

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Fair Value Measurements

The Union 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 17

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 Union 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 Union 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 Union determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained For the purpose of fair value disclosures, the Union 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

	2016 $	2015 $
NOTE 2 – REVENUE		
(a) Membership Revenue		
Membership Subscriptions	-	-
	-	-
(b) Capitation Fees		
- Australasian Meat Industry Employees Union – Queensland Branch (AMIEU – Queensland Branch)	127,310	133,443
- Australasian Meat Industry Employees Union – New South Wales Branch (AMIEU –NSW Branch)	71,709	71,365
- Australasian Meat Industry Employees Union – Newcastle & Northern Branch (AMIEU – Newcastle & Northern Branch)	64,986	65,160
- Australasian Meat Industry Employees Union – Tasmanian Branch (AMIEU –Tasmania Branch)	9,468	9,517
- Australasian Meat Industry Employees Union – Victorian Branch (AMIEU – Victoria Branch)	75,329	39,923
- Australasian Meat Industry Employees Union – South Australia/ Western Australia Branch (AMIEU – SA/ WA Branch)	42,600	41,889
	391,402	361,297
(c) Compulsory Levies		
Australian Council of Trade Unions IR Levy (recovered from each Branch)		
- AMIEU – Queensland Branch	27,064	-
- AMIEU –NSW Branch	14,498	-
- AMIEU – Newcastle & Northern Branch	14,245	-
- AMIEU –Tasmania Branch	1,978	-
- AMIEU – Victoria Branch	17,351	-
- AMIEU – SA/ WA Branch	10,024	-
	85,160	-
(d) Interest income		
- Other Persons	4,319	7,337
- Related Parties	-	-
	4,319	7,337
(e) Donations and grants	-	-
(f) Other revenue	20,227	18,134
TOTAL REVENUE	**501,108**	**386,768**

The Council did not receive any other financial support from another reporting unit to ensure that the provision of the principal activities are possible

	2016 $	2015 $
NOTE 3 – EXPENSES		
Profit before income tax from continuing operations include the following specific expenses		
(a) Depreciation and amortisation	6,879	6,548
(b) Grants and Donations		
- Grants	-	-
- Donations	-	20
	-	20
(c) Legal Costs		
- Litigation	-	-
- Other Matters	-	-
	-	-
(d) Employee benefits expense		
Holders of Office		
- Salaries and wages	106,222	102,491
- Annual and personal leave expense	4,487	285
- Long service leave expense	1,917	5,644
- Superannuation	16,295	15,849
- Separation and redundancies	-	-
	128,921	124,269
Employees other than office holders		
- Salaries and wages	72,973	99,966
- Annual and personal leave expense	6,396	(5,772)
- Long service leave expense	-	2,474
- Superannuation	7,162	10,496
- Separation and redundancies	-	-
	86,351	107,164
Total employee benefits expense	215,452	231,433
(e) Administration expenses		
- Conference and meeting expenses	596	25,247
- Administration expense	11,095	12,000
- Compulsory Levies		
- Australian Council of Trade Unions - IR levy	33,832	33,832
	45,523	71,079

	2016 $	2015 $
NOTE 3 – EXPENSES (CONTINUED)		
(f) Affiliation fees		
- APHEDA – Union Aid Abroad	1,091	964
- Australian Council of Trade Unions	79,582	63,848
- International Union of Food Workers	25,515	21,734
	106,188	86,546
(g) Capitation fees	-	-
(h) Other expenses		
- Advertising expenses	-	-
- Airfares and travel	45,576	54,044
- Audit and accountancy	9,900	9,964
- Internet and web page	450	951
- Legal and industrial books	10,019	10,584
- Other expenses	30,397	27,649
	96,342	103,192
NOTE 4 – CASH AND CASH EQUIVALENTS		
Cash at Bank	8,521	4,673
Short term bank deposits	166,297	164,983
	174,818	**169,656**

The effective interest rate on short-term bank deposits is 2 15% (2015 2 50%), these deposits are held at call

NOTE 5 – TRADE AND OTHER RECEIVABLES

CURRENT

Other receivables		
- Accrued interest	-	-
- GST receivable	2,943	2,808
Total other receivables	2,943	2,808
Total trade and other receivables	**2,943**	**2,808**

Credit Risk – Trade and Other Receivables

The Council has no significant concentration of credit risk with respect to any single counterparty or group of counterparties The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Council

On a geographical basis, the Council's trade and other receivables are all based in Australia

NOTE 5 –TRADE AND OTHER RECEIVABLES (CONTINUED)

The following table details the Council's trade and other receivables exposed to credit risk Amounts are considered 'past due' when the debt has not been settled, within the terms and conditions agreed between the Council and the customer or counterparty to the transaction Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Council

The balance of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality

	Gross Amount	Past due and impaired	Past due but not impaired (days overdue)			Within initial trade terms
2016	**$**	**$**	**< 30**	**31-60**	**60+**	**$**
Receivables from other reporting units	-	-	-	-	-	-
Other trade receivables	2,943	-	-	-	-	2,9422,943
Total	**2,943**	**-**	**-**	**-**	**-**	**2,9422,943**
2015						
Receivables from other reporting units	-	-	-	-	-	-
Other trade receivables	2,808	-	-	-	-	2,808
Total	**2,808**	**-**	**-**	**-**	**-**	**2,808**

Collateral held as security

The Council does not hold collateral with respect to its receivables at 30 June 2016 (2015 Nil)

	2016	**2015**
	$	**$**
NOTE 6 – PROPERTY, PLANT AND EQUIPMENT		
Plant and Equipment		
Furniture and fittings		
At cost	908	908
Accumulated Depreciation	(908)	(908)
Total furniture and fittings	**-**	**-**
Office equipment		
At cost	7,378	4,749
Accumulated Depreciation	(3,743)	(2,915)
Total office equipment	**3,635**	**1,834**
Motor Vehicles		
At cost	30,254	30,254
Accumulated Depreciation	(21,469)	(15,418)
Total motor vehicles	**8,785**	**14,836**
Total Property, Plant and Equipment	**12,420**	**16,670**

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Movements in carrying amounts

Movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year

	Motor Vehicle	Furniture & Fittings	Office Equipment	Total
Balance at 1 July 2014	**20,887**	**-**	**851**	**21,738**
Additions	-	-	1,480	1,480
Disposals	-	-	-	-
Depreciation expense	(6,051)	-	(497)	(6,548)
Carrying amount at 30 June 2015	**14,836**	**-**	**1,834**	**16,670**
Balance at 1 July 2015	**14,836**	**-**	**1,834**	**16,670**
Additions	-	-	2,629	2,629
Disposals	-	-	-	-
Depreciation expense	(6,051)	-	(828)	(6,849)
Carrying amount at 30 June 2016	**8,785**	**-**	**3,635**	**12,420**

NOTE 7 – TRADE AND OTHER PAYABLES

	2016 $	2015 $
Trade payables		
- Trade payables and accruals	26,077	50,999
Other payables		
- GST payable	-	-
- Legal costs payable	-	-
- Consideration to employers for payroll deductions	-	-
Payables to other reporting units		
- AMIEU – Newcastle & Northern Branch	1,831	65
- AMIEU – Victoria Branch	3,423	-
Total Trade and Other Payables	**31,331**	**51,064**
(a) Financial Liabilities at amortisation cost classified as trade and other payables		
Trade and other payables	31,331	51,064
Financial liabilities as trade and other payables	**31,331**	**51,064**

NOTE 8 – PROVISIONS

	Annual Leave $	Vesting Personal Leave $	Long Service Leave $	Total $
Opening balance at 1 July 2015	4,806	10,513	70,298	85,617
Additional provisions raised during the year	15,953	4,967	1,916	22,836
Amounts used	(10,037)	-	-	(10,037)
Balance at 30 June 2016	**10,722**	**15,480**	**72,214**	**98,416**

	2016 $	2015 $
NOTE 8 – PROVISIONS (CONTINUED)		
Analysis of total provisions		
Current employee benefits		
- Annual leave	10,722	4,806
- Vesting personal leave	15,480	10,513
- Long service leave	72,214	70,298
	98,416	85,617
Non-current employee benefits		
- Long service leave	-	-
	-	-
Total employee benefits provisions	**98,416**	**85,617**
Employee benefits split between:		
Officeholders		
- Annual leave	9,909	4,806
- Vesting personal leave	15,128	10,513
- Long service leave	72,214	70,298
- Separation and redundancies	-	-
- Other	-	-
	97,251	**85,617**
Non-officeholders		
- Annual leave	813	-
- Vesting personal leave	352	-
- Long service leave	-	-
- Separation and redundancies	-	-
- Other	-	-
	1,165	**-**
Total employee benefits	**98,416**	**85,617**

Provision for Long-term Employee Benefits

A provision has been recognised for employee benefits relating to long service leave for employees In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data The measurement and recognition criteria for employee benefits have been included in Note 1(e)

NOTE 9 – CASH FLOW INFORMATION

(a) Reconciliation of Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand, at banks and on deposit or any other cash held that can be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows

Cash at bank	8,521	4,673
Short-term bank deposits	166,297	164,983
	174,818	**169,656**

	2016 $	2015 $
NOTE 9 – CASH FLOW INFORMATION (CONTINUED)		
(b) Reconciliation of cash flow from operations with profit after income tax		
Surplus/(Deficit)	8,359	(112,090)
Non cash flows included in profit		
- Depreciation and amortisation	6,879	6,548
Changes in assets and liabilities		
- (Increase)/ decrease in trade debtors and other receivables	(135)	(5,707)
- (Increase)/ decrease in other current assets	379	6,984
- Increase/ (decrease) in trade payables and accruals	(19,732)	7,176
- Increase/ (decrease) in provisions	12,799	(88,398)
	(7,447)	(67,709)
Net Cash used in Operating Activities	7,791	(173,251)

(c) Credit standby arrangements and Loan facilities

The Council has a credit card facility amounting to $10,000 (2015 $10,000) This may be terminated at any time at the option of the bank The balance of this facility is cleared monthly and interest rates are variable

(d) Non-Cash Transactions

There have been no non-cash financing or investing activities during the year (2015 Nil)

(e) Cash flows to/from other reporting units

Included in the statement of cash flows under operating activities are the following receipts and payments to other reporting units (inclusive of GST)

Receipts from other reporting units		
- AMIEU – Queensland Branch	177,912	146,787
- AMIEU – NSW Branch	95,697	78,502
- AMIEU – Newcastle & Northern Branch	97,687	86,846
- AMIEU – Tasmanian Branch	13,301	10,803
- AMIEU – Victorian Branch	107,047	43,915
- AMIEU – South Australian Branch	59,317	10,803
Total receipts from other reporting units	550,960	377,656
Payments to other reporting units		
- AMIEU – Queensland Branch	-	(2,027)
- AMIEU – Newcastle & Northern Branch	(6,749)	(3,824)
- AMIEU – Victorian Branch	-	(435)
- AMIEU – South Australian Branch	(13,073)	(13,980)
Total payments to other reporting units	(19,822)	(20,266)
Net cash received from other reporting units	**570,783**	**357,390**

NOTE 10 – CONTINGENT LIABILITIES

The Committee of Management is not aware of any contingent liabilities that are likely to have a material effect on the results of the Council

	2016	2015
	$	$
NOTE 11 – AUDITORS' REMUNERATION		
Remuneration of the auditor of the Council for		
(a) auditing or reviewing the financial statements	9,900	9,900
	9,900	**9,900**

NOTE 12 – EVENTS AFTER THE REPORTING DATE

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

NOTE 13 – OPERATING SEGMENTS

The Council operates solely in one operating segment being the provision of trade union services

The Council operates from one geographical segment being Australia

NOTE 14 – RELATED PARTY TRANSACTIONS

The Council's main related parties are as follows

(a) Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any committee of management member of the Council, is considered key management personnel

For details of disclosures relating to key management personnel, refer to Note 16

(b) Other Related Parties

Other related parties include other Australasian Meat Industry Employee Union branches

(c) Transactions with Related Parties

Transactions between related parties are no normal Commercial terms and conditions no more favourable than those available to other parties unless otherwise stated

For details of the transactions with other related parties refer to Note 15

The amount outstanding from/to any related parties are detailed in Note 15

	2016 $	2015 $
NOTE 15 – INTER-BRANCH TRANSACTIONS		
Transactions with other branches of Australasian Meat Industry Employees Union – Federal Council (AMIEU – Federal Council) are on terms and conditions no more favourable than those available to other parties unless otherwise stated		
(a) AMIEU – Tasmanian Branch		
*Reimbursement of organising costs	-	334
*Capitation fees received	9,468	9,517
*Compulsory levy received	1,978	-
*Reimbursement of meatworker journal costs received	646	-
(b) AMIEU – Queensland Branch		
*Various expenses paid to AMIEU Queensland Branch	-	1,843
*Capitation fees received	127,310	133,443
*Compulsory levy received	27,064	-
*Reimbursement of meatworker journal costs received	7,364	-
(c) AMIEU – Newcastle and Northern Branch		
*Reimbursement of organising cost	-	304
*Capitation fees received	64,986	65,160
*Capitation fees received in advance	4,545	-
*Compulsory levy received	14,245	-
*Reimbursement of meatworker journal costs received	2,086	-
*Non-Executive director fees received	7,521	13,488
*Mobile cost paid to AMIEU – Newcastle and Northern Branch	-	1,655
*Operating cost paid to AMIEU – Newcastle and Northern Branch	813	1,821
*Ticket cost paid to AMIEU – Newcastle and Northern Branch	-	59
*Postage paid to AMIEU – Newcastle and Northern Branch	5,263	-
(d) AMIEU – Victorian Branch		
*Capitation fees received	75,329	39,923
*Compulsory levy received	17,351	-
*Reimbursement of meatworker journal costs received	1,206	-
*Medallion cost paid to AMIEU - Victoria Branch	-	396

	2016 $	2015 $
NOTE 15 – INTER-BRANCH TRANSACTIONS (CONTINUED)		
(e) *AMIEU – SA/ WA Branch*		
*Capitation fees received	42,600	41,889
*Compulsory levy received	10,024	-
*Reimbursement of meatworker journal costs received	1,306	-
*Union fees paid to AMIEU - SA/ WA Branch	400	466
*Postage paid to AMIEU - SA/ WA Branch	70	40
*Travel and communication charges paid to AMIEU - SA/ WA Branch	-	194
*Computer expenses paid to AMIEU – SA/ WA Branch	497	9
*Administration fees paid to AMIEU - SA/ WA Branch	11,000	12,000
*Administration fees payable	-	65
(f) *AMIEU – NSW*		
*Capitation fees received	71,709	71,365
*Compulsory levy received	14,498	-
*Reimbursement of meatworker journal costs received	1,307	-

The above transactions are shown net of GST GST is applicable on all the above transactions marked with a "*" and therefore would increase the value by 10%

NOTE 16 – KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel comprise those individuals who have the authority and responsibility for planning, directing and controlling the activities of the Council During the year, the key management personnel of the Council were remunerated as follows

	Short-Term Benefits	Post-Employment Benefits	Termination Benefits	Total
2016				
Total compensation	110,709	18,176	-	128,921
2015				
Total compensation	102,776	21,493	-	124,269

NOTE 17 – FINANCIAL RISK MANAGEMENT

The Council's financial instruments consist mainly of deposits with banks, accounts receivable and accounts payable

The totals for each category of financial instruments, measured in accordance with AASB139 as detailed in the accounting policies to these financial statements, are as follows

	Notes	2016 $	2015 $
Financial assets			
Cash and cash equivalents	4	174,818	169,656
Trade and other receivables	5	2,943	2,808
		177,761	**172,464**
Financial liabilities			
Trade and other payables	7	31,331	51,064
		31,331	**51,064**

Financial Risk Management Policies

The Committee of Management monitors the Council's financial risk management policies and exposures and approves financial transactions entered into It also reviews the effectiveness of internal controls relating to commodity price risk, counterparty credit risk, currency risk, financing risk and interest rate risk The Committee of Management meets monthly to review the financial exposure of the Union

The main risk the Council is exposed to through its financial instruments are credit risk, liquidity risk and market risk, consisting of interest rate risk

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for the Council

The Council does not have any material credit risk exposures as its major source of revenue is the receipt of capitation fees from other State Branches

NOTE 17 – FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Credit Risk Exposures

The maximum exposures to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of provisions) as presented in the statement of financial position

Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality Aggregates of such amounts are detailed in Note 5

The Council has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties Details with respect to credit risk of accounts receivable and other debtors are provided in Note 5

Credit risk related to balances with banks and other financial institutions is managed by the Committee of Management in accordance with approved Board policy Such policy requires that surplus funds are only invested with counterparties with a strong reputation and backed by the Commonwealths bank guarantee At 30 June 2016, all funds were held by financial institutions backed by the Commonwealth Government's bank guarantee

(b) Liquidity Risk

Liquidity risk arises from the possibility that the Council might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities The Council manages this risk through the following mechanisms

- preparing forward looking cash flow estimates,
- maintaining a reputable credit profile,
- managing credit risk related to financial assets,
- only investing surplus cash with major financial institutions, and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets

The tables below reflect an undiscounted contractual maturity analysis for non-derivative financial liabilities The Council does not hold directly any derivative financial liabilities

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation Actual timing may therefore differ from that disclosed The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates

Financial Instrument Composition and Maturity Analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2016 $	2015 $	2016 $	2015 $	2016 $	2015 $	2016 $	2015 $
Financial liabilities due for payment								
Trade payables	(31,331)	(51,064)	-	-	-	-	(31,331)	(51,064)
Total expected outflows	(31,331)	(51,064)	-	-	-	-	(31,331)	(51,064)
Financial assets – cash flow receivable								
Cash and cash equivalents	174,818	169,656	-	-	-	-	174,818	169,656
Other receivables	2,943	2,808	-	-	-	-	2,943	2,808
Total anticipated inflows	177,761	172,464	-	-	-	-	177,761	172,464
Net (outflow) / inflow on financial instruments	146,430	121,400	-	-	-	-	146,430	121,400

NOTE 17 – FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk

i Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments The Council is also exposed to earnings volatility on floating rate instruments

The financial instruments which expose the Council to interest rate risk are limited to its cash

ii Foreign Exchange Risk
The Council is not exposed to fluctuations in foreign currencies

iii Price Risk
The Council is not exposed to any material commodity price risk

Interest Rate Risk

The Council has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk

Sensitivity Analysis

The following table illustrates sensitivities to the Council's exposures to changes in interest rates The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible

These sensitivities assume that the movement in a particular variable is independent of other variables

	2016 $	2015 $
Change in profit		
- Increase in interest rate by 2%	3,487	3,393
- Decrease in interest rate by 2%	(3,327)	(4,125)
Change in Members Equity		
- Increase in interest rate by 2%	3,487	3,393
- Decrease in interest rate by 2%	(3,327)	(4,125)

No sensitivity analysis has been performed on foreign exchange risk, as the Council is not exposed to foreign currency fluctuations

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year

NOTE 17 – FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair values

Fair value estimation

The fair values of financial assets and liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties at an arm's length transaction

Fair value may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated Areas of judgement and the assumptions have been detailed below Where possible, valuation information used to calculate fair values is extracted from the market, with more reliable information available from markets that are actively traded

In this regard, fair values for listed securities are obtained from quoted market bid prices Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Council Most of these instruments, which are carried at amortised cost (i e accounts receivable), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Council

	Footnote	2016		2015	
		Carrying value	Fair value	Carrying value	Fair value
		$	$	$	$
Financial assets					
Cash and cash equivalents	(i)	174,818	174,818	169,656	169,656
Accounts receivable and other debtors	(i)	2,943	2,943	2,808	2,808
Total financial assets		**177,761**	**177,761**	**172,464**	**172,464**
Financial liabilities					
Accounts payable and other payables	(i)	31,331	31,331	51,064	51,064
Total financial liabilities		**31,331**	**31,331**	**51,064**	**51,064**

The fair values disclosed in the above table have been determined based on the following methodologies

(i) Cash and cash equivalents, accounts receivable and other debtors and accounts payable and other payables are short-term instruments in nature whose carrying value is equivalent to fair value Trade and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 139

NOTE 17 – FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair Values (Continued)

Fair Value Hierarchy

AASB 13 Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categories fair value measurement into one of the three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows

Level 1
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2
Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset of liability, either directly or indirectly

Level 3
Measurements based on unobservable inputs for the asset or liability

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques These valuation techniques maximise, to the extent possible, the use of observable market date If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2 If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3

The Council did not have any assets or liabilities that were recorded using the above fair value hierarchy at 30 June 2016 (2015 Nil)

NOTE 18 – COUNCIL DETAILS

The principal place of the Council is

227 Henley Beach Road
TORRENSVILLE SA 5031

NOTE 19 –NOTICE REQUIRED UNDER THE 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 following provision of subsections (1), (2), and (3) of Section 272, which reads as follows

(1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application

(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available The period must not be less than 14 days after the application is given to the reporting unit

(3) A reporting unit must comply with an application made under subsection (1)

The purposes of which the Council is established are

(a) To uphold the rights of organisation of labour and to improve, protect and foster the best interests of its members, and to subscribe and / or co-operate with a policy of improving the cultural and living standards of its members
(b) To protect the interests of workers in the regulation of conditions of labour, with the ultimate view of securing to the workers the full value of their labour by the socialization of industry, production, distribution and exchange
(c) To promote industrial peace by amicable means and to make arrangements to settle industrial disputes
(d) To assist, by just and equitable methods, in the settlement of any differences which may arise between the members and their employers
(e) To negotiate agreements with the employers of members through collective bargaining and lawful collective industrial action
(f) To establish a fund for the purpose of advancing the best interests of its members
(g) To provide legal and other assistance to financial members whenever and wherever considered necessary
(h) To raise funds by levy for the attainment of the objects of the Council as set out herein
(i) To establish branches in the Commonwealth
(j) To affiliate, to federate with, or otherwise combine with any Trade or Industrial Union or Association of Trade Unions or any other organisations having objects in whole or in part similar with other Unions
(k) To establish funeral and other benefits
(l) To assist any establishment and maintenance of Labour and Trade union Newspapers and other television, radio, internet and other media organisations and to invest in shares in such Newspapers and Broadcasting and Television Stations
(m) To pay affiliation fees to assist financially or otherwise any bona fide Labour or Trade Union organisation or association
(n) To establish and manage a Union Journal
(o) To purchase, take on lease or in exchange, hire and otherwise acquire any real property and in particular any land, buildings or easements for any purpose connected with the conduct of the Council and its Branches
(p) To borrow or raise or secure the payment of money in such manner as the Council or a Branch may see fit, to secure the same, or the re-payment or performance of any debt, liability, contract, guarantee or other engagement incurred, or to be entered into by the Council or a Branch in any way, and to redeem or pay off such securities
(q) Sell, improve, manage, develop, exchange, leave, dispose of, turn to account, or otherwise deal with all or any part of the property and rights of the Council or Branch
(r) To establish, operate and maintain services for health
(s) To enter into contracts and agreements and to borrow for the purpose of furthering directly or indirectly any one or more of these objects
(t) To obtain such other objects as the Federal Council may from time to time determine

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INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF AUSTRALASIAN MEAT INDUSTRY EMPLOYEES UNION – FEDERAL COUNCIL

Report on the Financial Statements

We have audited the accompanying financial report of the Australasian Meat Industry Employees Union – Federal Council ("Council"), which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of recovery of wages activity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Committee of Management's operating report and statement

Committee's Responsibility for the Financial Report

The Committee of Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009* ("Act"), and for such internal control as the Committee of Management determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error In Note 1, the Committee Members also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements,* that the financial statements comply with *International Financial Reporting Standards*

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit We conducted our audit in accordance with Australian Auditing Standards Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, as well as evaluating the overall presentation of the financial report

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Independence

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

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Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of the Union for the year ended 30 June 2016 included on Australasian Meat Industry Employees Union – Federal Council website The Union's Committee of Management are responsible for the integrity of the Australasian Meat Industry Employees Union – Federal Council's website We have not been engaged to report on the integrity of the Australasian Meat Industry Employees Union – Federal Council's website The auditor's report refers only to the statements named above It does not provide an opinion on any other information which may have been hyperlinked to/ from these statements If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this website
Declarations

We declare that we are an approved auditor as defined in Regulation 4 of the *Fair Work(Registered Organisations) Regulations 2009*

We declare that we are members of the Institute of Chartered Accountants in Australia and hold a current Public Practice Certificate

Auditor's Opinion

In our opinion

(1) the financial report of the Australasian Meat Industry Employees Union – Federal Council is in accordance with the *Fair Work (Registered Organisations) Act 2009*, including

   (i) giving a true and fair view of the Council's financial position as at 30 June 2016 and of its performance for the year ended on that date, and

   (ii) complying with Australian Accounting Standards, and

(2) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1

(3) the Council has kept satisfactory accounting records for the financial year including records of

   (i) the sources and nature of the Council's income, including membership subscriptions and other income from members, and

   (ii) the nature of and reasons for the Council's expenditure

(4) All the information and explanations that officers or employees of the Council were required to provide have been provided, and

(5) There was no deficiency, failure or shortcoming in any matters referred to in (1) to (4) above

(6) The Council's use of the going concern basis of accounting used in the preparation of the Council's financial statements is appropriate

M.C.I

MGI Audit (Q) Pty Ltd

G I Kent
Director
Chartered Accountant and holder of a Certificate of Public Practice

Cairns

12 September 2016