

VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION

COMMITTEE'S OPERATING REPORT

Your committee members present their report on the Association for the financial year ended 30 September 2016.

Committee Members

The names of Committee of Management members in office at any time during or since the financial period were:

Margaret Parkinson	President
Simone Renyard	Vice President (resigned 22 July 2016)
Susan Finger	Vice President
Alan Bowman	Treasurer
Rien Silverstein	Committee member (appointed 22 July 2016)
Sarah Parker	Committee member (appointed 22 July 2016)

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

Principal activities

The principal activity of the Association during the 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.

Operating Results

The surplus of the Association for the financial year after providing for income tax amounted to \$nil (2015: \$nil).

Significant changes in state of affairs

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

Other Prescribed Information

In accordance with Regulation 254 2(1) of the Fair Work (Registered Organisations) Act 2009:

(a) Number of members

The number of persons that were at the end of the financial year recorded in the register of members for sec 230 of the Fair Work (Registered Organisations) Act 2009 and who were taken to be members of the Association under sec 244 of the Fair Work (Registered Organisations) Act 2009 was 1,237.

(b) Number of employees

The number of persons that were at the end of the financial period employees of the Association including both full time and part time employees measured on a full time equivalent basis was nil.

(c) Right of members to resign

Rule 13.1 A member of the Association may resign from membership by written notice addressed and delivered to the Executive Committee. The notice may be sent electronically.

Rule 13.2 A notice of resignation from membership of the Association takes effect:

(a) where the member ceases to be eligible to become a member of the Association:

- (i) on the day on which the notice is received by the Association; or
- (ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member; whichever is the later; or

(b) in any other case:

- (i) at the end of 2 weeks after the notice is received by the Association; or
- (ii) on the day specified in the notice; whichever is the later.

VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION

COMMITTEE'S OPERATING REPORT

(d) Officers & employees who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee

Alan Bowman is a Director of Prime Super. No other Committee Member or Employee of VFFIA is a trustee of a superannuation entity or an exempt public sector superannuation scheme; or a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme, other than in relation to personal family superannuation funds.

(e) Officers and employees who are directors of a company or member of a Board

- Margaret Parkinson - Director of Jamoney P/L.
- Simone Renyard - Trustee of Meon Valley Australia, Trustee of NSR Superannuation Fund.
- Susan Finger - Director of Vernview Pty Ltd, Director of YV Marketing Pty Ltd, Director of Horticultural Innovation Australia Limited (HIAL).
- Alan Bowman - Director of Prime Super, Director of Agricultural Company of Australia and Director of Nameco339 P/L and Trustee of Southall Trust.
- Rien Silverstein – Nil.
- Sarah Parker - President of Australian Women in Agriculture, Director of National Rural Women's Coalition.

Signed for and on behalf of the Committee of Management:



Meg Parkinson
President & Committee Member

9 December 2016

VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Notes	2016 \$	2015 \$
Revenue	3	71,253	73,297
Other expenses	4	(71,253)	(73,297)
Surplus for the financial year		-	-
Other comprehensive income		-	-
Total comprehensive income for the year		-	-

The accompanying notes form part of these financial statements.

VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016

	Notes	2016 \$	2015 \$
CURRENT ASSETS			
Cash and cash equivalents	5	6,835	7,730
Trade and other receivables	6	3,519	3,519
TOTAL CURRENT ASSETS		10,354	11,249
TOTAL ASSETS		10,354	11,249
CURRENT LIABILITIES			
Deferred revenue		6,335	7,230
TOTAL CURRENT LIABILITIES		6,335	7,230
TOTAL LIABILITIES		6,335	7,230
NET ASSETS		4,019	4,019
EQUITY			
Retained Surpluses		4,019	4,019
TOTAL EQUITY		4,019	4,019

The accompanying notes form part of these financial statements.

VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Note	Retained surpluses \$	Total \$
Balance at 1 October 2014		4,019	4,019
Total comprehensive income for the year		-	-
Transactions with owners in their capacity as owners		-	-
Balance at 30 September 2015		<u>4,019</u>	<u>4,019</u>

	Note	Retained surpluses \$	Total \$
Balance at 1 October 2015		4,019	4,019
Total comprehensive income for the year		-	-
Transactions with owners in their capacity as owners		-	-
Balance at 30 September 2016		<u>4,019</u>	<u>4,019</u>

The accompanying notes form part of these financial statements.

VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION

**STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

	Notes	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members		-	15,490
Payment to suppliers		<u>(895)</u>	<u>(8,260)</u>
Net cash provided by operating activities		<u>(895)</u>	<u>7,230</u>
Net (decrease) /increase in cash held		(895)	7,230
Cash and cash equivalents at beginning of the year		<u>7,730</u>	<u>500</u>
Cash and cash equivalents at the end of the year	5	<u><u>6,835</u></u>	<u><u>7,730</u></u>

The accompanying notes form part of these financial statements.

VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover Victorian Farmers Federation Industrial Association (“VFFIA” or “the Association”) as an individual entity. Victorian Farmers Federation Industrial Association is an employer association registered under the Fair Work (Registered Organisations) Act 2009.

(a) Basis of preparation

The financial statements are general purpose financial statements and have been prepared in accordance with the Tier 1 reporting requirements of the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, the VFFIA is a not-for-profit entity.

The financial statements have been prepared on the historical cost basis.

The functional and presentation currency of the company is \$AUD.

The amounts presented in the financial statements have been rounded to the nearest dollar and were authorised for issue by the members of the Committee.

The principal accounting policies adopted in preparation of the financial report are set out below. These policies have been consistently applied to all the periods presented unless otherwise stated.

(b) Significant accounting judgements and estimates

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

(c) Comparative amounts

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

(d) New Australian Accounting Standards

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

(e) Income tax

No provision for income tax is made as the Association is a registered employer association under the Fair Work Act 2009 and is exempt from income tax under section 50.15(h) of the Income Tax Assessment Act 1997.

(f) 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.

(g) Cash and Cash equivalents

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

(h) Revenue

Service fees/subscription income is recognised at financial year end following approval by the Management Committee, and when entitled to be received.

VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION

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

(i) 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.

NOTE 2: ADDITIONAL REPORTING

(a) Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of sub-section (1), (2) and (3) of Section 272, which reads as follows:

Information to be provided to members or General Manager:

- (1) A member of a reporting unit, or a 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 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).

(b) Going concern

For the year ended 30 September 2016 the Association incurred a surplus of \$nil and at that date, had a working capital of \$4,019.

The VFFIA is reliant on the agreed financial support of Victorian Farmers Federation to continue on a going concern basis. This agreed financial support is to continue indefinitely.

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.

	2016 \$	2015 \$
NOTE 3: REVENUE		
Contributions received	-	8,920
Service fees/ Membership subscriptions	71,253	64,377
	<u>71,253</u>	<u>73,297</u>

VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION

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

		2016 \$	2015 \$
NOTE 4: EXPENSES			
Audit fees		9,600	3,600
Expenses in connection with meetings of members	(b)	2,561	5,036
Other expenses		1,352	5,410
Penalties – via RO Act or RO Regulations		-	-
Cost of service provided (related party VFF)	(a)	57,740	59,251
		<u>71,253</u>	<u>73,297</u>

a) Under agreement with the Victorian Farmers Federation (VFF) service fees are rebated to the VFF in lieu of services provided by the VFF to the Victorian Farmers Federation Industrial Association (VFFIA).

b) VFFIA representative allowances and travel reimbursements paid by VFF on behalf of VFFIA.

c) VFFIA does not employ any staff; all tasks are carried out by VFF employees.

d) VFFIA has not incurred any other expenses required to be disclosed under Section 255 of the Fair Work (Registered Organisations) Act 2009 during the current or previous financial year.

NOTE 5: CASH AND CASH EQUIVALENTS

Cash at bank	<u>6,835</u>	<u>7,730</u>
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NOTE 6: OTHER ASSETS

Loan to related party	<u>3,519</u>	<u>3,519</u>
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The loan is receivable from Victorian Farmers Federation, is interest free and has no set date for repayment.

The nature of transactions accounted for through the loan account comprise member subscription receipts, administrative fees and other costs.

NOTE 7: SUBSEQUENT EVENTS

There were no events that occurred after 30 September 2016, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of VFFIA.

NOTE 8: CONTINGENT LIABILITIES

There were no contingent liabilities as at 30 September 2016.

NOTE 9: ASSOCIATION DETAILS

The VFFIA offices are located at:
Level 5, 24- 28 Collins St
MELBOURNE VIC 3000

VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

	Note	2016 \$	2015 \$
NOTE 10: FAIR WORK AUSTRALIA- ADMINISTRATION OF FINANCIAL AFFAIRS BY A THIRD PARTY			
Name of entity providing service : Victorian Farmers Federation			
Terms and conditions: Formal agreement currently being revised.			
Nature of expenses/consultancy service : Recovery of costs for member representation at Fair Work charges, Committee members costs and Admin support			
Detailed breakdown of revenues collected and/or expenses incurred			
Revenue			
Membership subscriptions		71,253	64,377
Capitation fees		-	-
Levies		-	-
Interest		-	-
Rental revenue		-	-
Other revenue		-	-
Contributions received		-	8,920
Recovery of wages activity		-	-
Total Revenue		71,253	73,297
Expenditure			
Employee expense			
- Holders of office		-	-
- Employees other than office holders		55,000	55,700
Capitation fees		-	-
Affiliation fees (each affiliate to be disclosed)		-	-
Consideration to employers for payroll deductions		-	-
Compulsory levies		-	-
Fees/allowances - meeting and conferences		2,561	5,036
Conference and meeting expenses		-	-
Administration fees		-	-
Grants and donations		-	-
Finance costs		-	-
Legal costs		-	5,410
Audit fees		9,600	3,600
Penalties		-	-
Regulations		-	-
Management fees charged by VFF for administering VFFIA		2,740	3,551
Committee member training		1,352	-
		71,253	73,297

VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION

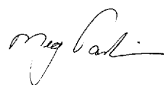
COMMITTEE OF MANAGEMENT'S STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2016

On the 9 December 2016 the Victorian Farmers Federation Industrial Association Executive Committee passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 September 2016:

The Victorian Farmers Federation Industrial Association Executive Committee declares 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 reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) the organisation consists of one reporting unit; and
 - (v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period.

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



Meg Parkinson
President & Committee Member

9 December 2016

The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000

Correspondence to:
GPO Box 4736
Melbourne Victoria 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.granthornton.com.au

**Independent Auditor's Report
To the Members of Victorian Farmers Federation Industrial Association**

We have audited the accompanying financial report of Victorian Farmers Federation Industrial Association, which comprises the statement of financial position as at 30 September 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies, Committee of Management Statement and other explanatory information to the financial report.

Responsibility of the Committee of Management for the financial report

The Committee of Management of Victorian Farmers Federation Industrial Association is responsible for the preparation and fair presentation of the financial report in accordance with the Tier 1 reporting requirements of the Australian Accounting Standards –and the Fair Work (Registered Organisations) Act 2009. This responsibility includes such internal controls as the Committee of Management determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

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In making those risk assessments, the auditor considers internal control relevant to the Victorian Farmers Federation Industrial Association'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 Victorian Farmers Federation Industrial Association'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 applicable independence requirements of the Accounting Professional and Ethical Standards Board.

Auditor's opinion

In our opinion, the financial report of Victorian Farmers Federation Industrial Association:

- a presents fairly, in all material respects, the entity's financial position as at 30 September 2016 and of its performance and cash flows for the year then ended ; and
- b complies with Australian Accounting Standards and the relevant legislation.

Going concern basis of accounting

As part of our audit of the financial statements, we have concluded that the management's use of the going concern basis of accounting in the preparation of the Victorian Farmers Federation Industrial Association's financial statements is appropriate.

Auditor's qualifications

I declare that I am an approved auditor as defined in Regulation 4 of the Fair Work (Registered Organisations) Regulations 2009. I am a member of The Institute of Chartered Accountants and hold a current Public Practice Certificate.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



A. J. Pititto
Partner - Audit & Assurance

Melbourne, 9 December 2016