

VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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 2017.

Committee Members

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

Margaret Parkinson	President
Alan Bowman	Treasurer
Rien Silverstein	Committee member
Sarah Parker	Vice President
Sarah Finger	Vice President (resigned 8 June 2017)

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 (2016: \$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 1318.

(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

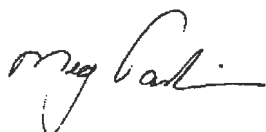
(d) Officers & employees who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee

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.
- 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.
- Sarah Finger - Director of Vernview Pty Ltd, Director of YV Marketing Pty Ltd, Director of Horticultural Innovation Australia Limited (HIAL).

Signed for and on behalf of the Committee of Management:



Meg Parkinson
President & Committee Member

20 December 2017

VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Notes	2017 \$	2016 \$
Revenue	3	69,960	71,253
Other expenses	4	(69,960)	(71,253)
Deficit for the financial year		-	-
Other comprehensive income		-	-
Total comprehensive loss 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 2017**

	Notes	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	5	6,835	6,835
Trade and other receivables	6	3,519	3,519
TOTAL CURRENT ASSETS		10,354	10,354
TOTAL ASSETS		10,354	10,354
CURRENT LIABILITIES			
Deferred revenue		6,335	6,335
TOTAL CURRENT LIABILITIES		6,335	6,335
TOTAL LIABILITIES		6,335	6,335
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 2017**

	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		4,019	4,019

	Note	Retained surpluses \$	Total \$
Balance at 1 October 2016		4,019	4,019
Total comprehensive loss for the year		-	-
Transactions with owners in their capacity as owners		-	-
Balance at 30 September 2017		4,019	4,019

The accompanying notes form part of these financial statements.

VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Notes	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members		-	-
Payment to suppliers		-	(895)
Net cash provided by operating activities		-	(895)
Net decrease in cash held		-	(895)
Cash and cash equivalents at beginning of the year		6,835	7,730
Cash and cash equivalents at the end of the year	5	6,835	6,835

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 2017

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 2017**

(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 Commissioner:

- (1) A member of a reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be 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 2017 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.

	2017	2016
	\$	\$
NOTE 3: REVENUE		
Service fees/ Membership subscriptions	<u>69,960</u>	<u>71,253</u>

VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

		2017	2016
		\$	\$
NOTE 4: EXPENSES			
Audit fees		7,800	9,600
Expenses in connection with meetings of members	(a)	3,947	2,561
Other expenses		2,388	1,352
Cost of service provided (related party VFF)	(b)	<u>55,825</u>	<u>57,740</u>
		<u>69,960</u>	<u>71,253</u>

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

b) 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).

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>6,835</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 2017, 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 2017.

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 2017**

	Note	2017	2016
		\$	\$

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		69,960	71,253
Capitation fees		-	-
Levies		-	-
Interest		-	-
Rental revenue		-	-
Other revenue		-	-
Contributions received		-	-
Recovery of wages activity		-	-
Total Revenue		69,960	71,253

Expenditure

Employee expense			
- Holders of office		-	-
- Employees other than office holders		55,135	55,000
Capitation fees		-	-
Affiliation fees (each affiliate to be disclosed)		-	-
Consideration to employers for payroll deductions		-	-
Compulsory levies		-	-
Fees/allowances - meeting and conferences		3,947	2,561
Conference and meeting expenses		-	-
Administration fees		-	-
Grants and donations		-	-
Finance costs		-	-
Legal costs		-	-
Audit fees		7,800	9,600
Penalties		-	-
Regulations		-	-
Management fees charged by VFF for administering VFFIA		-	2,740
Committee member training		3,078	1,352
		69,960	71,253

VICTORIAN FARMERS FEDERATION INDUSTRIAL ASSOCIATION

COMMITTEE OF MANAGEMENT'S STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2017

On the 20 December 2017 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 2017:

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 Commissioner;
- (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 commissioner duly made under section 272 of the RO Act has been provided to the member or commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period.

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



Meg Parkinson
President & Committee Member

20 December 2017

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727 Collins St
Docklands Victoria 3008

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Independent Audit Report To the Members of Victorian Farmers Federation Industrial Association

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Victorian Farmers Federation Industrial Association (the Reporting Unit), which comprises the statement of financial position as at 30 September 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 September 2017, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Victorian Farmers Federation Industrial Association as at 30 September 2017, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

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

Basis for Opinion

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

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

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

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

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.

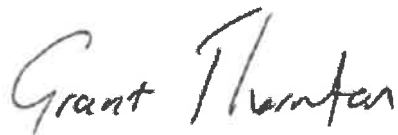
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for our audit opinion.

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

We declare that Anthony Pititto is an approved auditor, a member of The Institute of Chartered Accountants and holds a current Public Practice Certificate.

Other Matter

The Committee of Management Statement reflects that Victorian Farmers Federation Industrial Association has not undertaken any recovery of wages activity during the reporting period ended 30 September 2017. As such, no opinion is provided in relation to recovery of wages activity.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



A.J Pititto
Partner - Audit & Assurance

Melbourne, 20 December 2017

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/86

