



5 April 2022

Glen Seidel  
Branch Secretary  
Independent Education Union (South Australia) Branch  
Sent via email: [gseidel@ieusa.org.au](mailto:gseidel@ieusa.org.au)  
CC: [adrabsch@independentaudit.com.au](mailto:adrabsch@independentaudit.com.au)

Dear Glen Seidel,

**Independent Education Union (South Australia) Branch  
Financial Report for the year ended 31 December 2021 – (FR2021/297)**

I acknowledge receipt of the financial report for the year ended 31 December 2021 for the Independent Education Union (South Australia) Branch. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 5 April 2022.

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

You are not required to take any further action in respect of the report lodged. Please note that the financial report for the year ending 31 December 2022 may be subject to an advanced compliance review.

**Reporting Requirements**

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

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

If you have any queries regarding this letter, please contact me on (03) 9603 0841 or by email at [Mihiri.jayawardane@roc.gov.au](mailto:Mihiri.jayawardane@roc.gov.au).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'MJ'.

**Mihiri Jayawardane**  
Registered Organisations Commission

# Independent Education Union (SA) Branch

Financial statements for the year ended 31 December 2021

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**Independent Education Union (SA) Branch**

s.268 *Fair Work (Registered Organisations) Act 2009*

## Certificate by Prescribed Designated Officer

Certificate for the year ended 31 December 2021

I, Glen Seidel, being the Secretary of the Independent Education Union (SA) Branch certify:

- that the documents lodged herewith are copies of the full report for the Independent Education Union (SA) Branch for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 30 March 2022; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 30 March 2022 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:  .....

Name of prescribed designated officer: Glen Seidel.

Title of prescribed designated officer: IEU(SA) Branch Secretary

Dated: 5 April 2022.



## **Independent Audit Report to the Members of Independent Education Union (SA) Branch Report on the Audit of the Financial Report**

### **Opinion**

I have audited the financial report of Independent Education Union (SA) Branch (the Reporting Unit), which comprises the statement of financial position as at 31 December 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2021, notes to the financial statements, including a summary of significant accounting policies, the Executive Committee Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Independent Education Union (SA) Branch as at 31 December 2021, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

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

### **Basis for Opinion**

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

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

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

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

### **Responsibilities of Executive Committee for the Financial Report**

The Executive Committee 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 Executive Committee 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 Executive Committee 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 Executive Committee either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

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

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

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

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

I communicate with the Executive Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I declare that I am an auditor registered under the RO Act.



Director  
Adelaide  
25 March 2022

Registration number (as registered by the RO Commissioner under the RO Act):  
AA2017/240

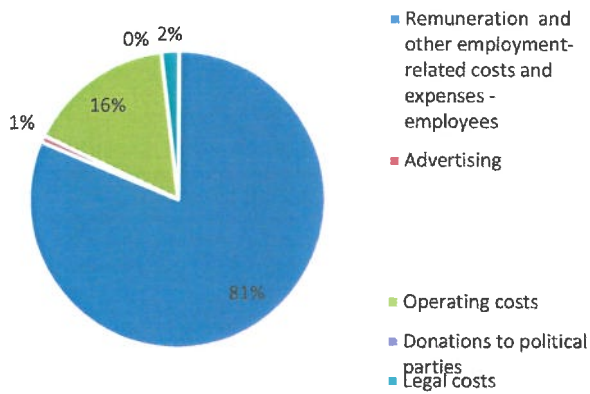
**Independent Education Union (SA) Branch**

# Report Required Under Subsection 255(2A)

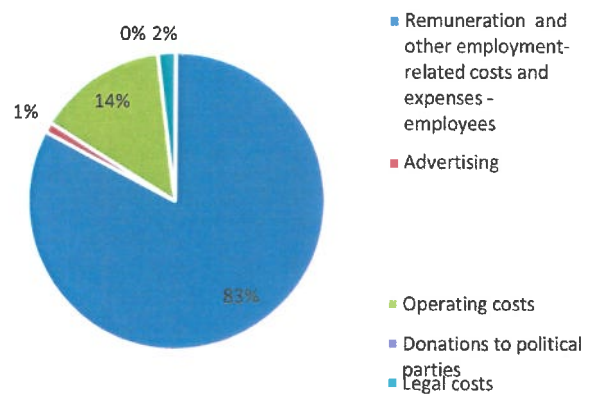
for the year ended 31 December 2021

The Executive Committee presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 December 2021.

2021 - Expenditure as Required Under s.255(2A) RO Act



2020 - Expenditure as Required Under s.255(2A) RO Act



Signature of designated officer: .....

Name and title of designated officer: .....

Glen SEIDEL Branch Secretary

Dated: .....

08 March 2022



## Independent Education Union (SA) Branch

# Operating Report

*for the year ended 31 December 2021*

The Executive Committee presents its operating report on the Reporting Unit for the year ended 31 December 2021.

### **Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year**

The Independent Education Union (SA) Branch represents the industrial and professional interests of its members in the non-government education sector.

### **Significant changes in financial affairs**

No significant change in the nature of these activities occurred during the period.

### **Right of members to resign**

A member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.

### **Officers or members who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position**

Margaret Sansom (Member) - Director of NGS Super Pty Limited trustee for NGS Super (from 1 July 2021).

### **Number of members**

Total members of Independent Education Union (SA) Branch as at 31 December 2021: 3,617 (31 December 2020: 3,692).

### **Number of employees**

Total employees of Independent Education Union (SA) Branch as at 31 December 2021: 12 (31 December 2020: 11).

### **Names of Executive Committee members and period positions held during the financial year**

The name of each member of the committee during the year:

Glen Seidel (Secretary)

Tim Oosterbaan (Deputy Secretary) elected (29/06/2021)

Britta Jureckson (President)

Anthony Haskell (Vice President)

Noel Karcher (Vice President)

Michael Francis (Treasurer)

John Coop

Sheryl Hoffmann

Sue Bailey  
David Freeman  
Jenny Johnson elected (20/08/2021)  
Ally Cunningham elected (20/08/2021)  
Kathleen Johnson elected (20/08/2021)

Members of the Executive Committee held positions for the entire reporting period unless otherwise stated.

\* There have been no changes to members of the Executive Committee listed as at the date of the report.

Signature of designated officer: .....



Name and title of designated officer: .....

Glen SEIDEL Branch Secretary  
of March 2022'

Dated: .....

## Executive Committee Statement

for the year ended 31 December 2021

On 8 March 2022 the Executive Committee of the Independent Education Union (SA) Branch passed the following resolution in relation to the general-purpose financial report (GPFR) for the year ended 31 December 2021:

The Executive Committee declares that in its opinion:

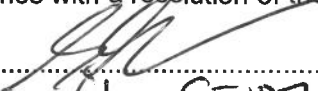
- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the Executive Committee were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
  - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
  - (v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
  - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

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

Signature of designated officer: .....

Name and title of designated officer: .....

Dated: .....

  
Glen SEIDEL, Branch Secretary  
08 March 2022

Independent Education Union (SA) Branch  
**Statement of Comprehensive Income**  
*for the year ended 31 December 2021*

	Notes	2021 \$	2020 \$
<b>Revenue from contracts with customers</b>			
Membership subscriptions		2,091,734	2,065,998
Capitation fees and other revenue from another reporting unit	3A	-	-
Levies	3B	-	-
<b>Total revenue from contracts with customers</b>		<u>2,091,734</u>	<u>2,065,998</u>
<b>Income for furthering objectives</b>			
Grants or donations	3C	-	-
<b>Total income for furthering objectives</b>			
<b>Other Income</b>			
Revenue from recovery of wages activity	3D	-	-
Board fees NGS Super		22,786	23,248
Investment income	3E	5,101	5,994
Other income	3F	13,363	108,051
Other income – Gain on transfer of net assets	12A	1,273,858	-
<b>Total other income</b>		<u>1,315,108</u>	<u>137,293</u>
<b>Total income</b>		<u>3,406,842</u>	<u>2,203,291</u>
<b>Expenses</b>			
Employee expenses	4A	1,544,073	1,552,848
Capitation fees and other expense relating to reporting unit	4B	57,786	62,927
Affiliation fees	4C	35,588	20,786
Administration expenses	4D	229,089	184,729
Grants or donations	4E	-	100
Depreciation and amortisation	4F	10,605	4,146
Finance costs	4G	19,959	19,822
Legal costs	4H	26,979	36,074
Audit fees	13	20,778	19,396
Other expenses	4I	-	-
<b>Total expenses</b>		<u>1,944,857</u>	<u>1,900,828</u>
<b>Surplus (deficit) for the year</b>		<u>1,461,985</u>	<u>302,463</u>
<b>Other comprehensive income</b>			
Items that will not be subsequently reclassified to profit or loss			
Gain/(loss) on revaluation of land & buildings	6A	(110,000)	-
<b>Total comprehensive income for the year</b>		<u>1,351,985</u>	<u>302,463</u>

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

Independent Education Union (SA) Branch  
**Statement of Financial Position**  
*as at 31 December 2021*

	Notes	2021 \$	2020 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5A	1,430,663	909,795
Trade and other receivables	5B	2,464	3,600
Other current assets	5C	4,915	4,419
<b>Total current assets</b>		<b>1,438,042</b>	<b>917,814</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	6A	863,113	13,596
Right-of-use assets	6B	5,117	8,298
<b>Total non-current assets</b>		<b>868,230</b>	<b>21,894</b>
<b>Total assets</b>		<b>2,306,272</b>	<b>939,708</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade payables	7A	83,238	108,102
Other payables	7B	84,698	70,615
Employee provisions	8A	451,131	426,953
Lease liabilities	6B	2,436	1,934
<b>Total current liabilities</b>		<b>621,503</b>	<b>607,604</b>
<b>Non-Current Liabilities</b>			
Employee provisions	8A	16,769	13,653
Lease liabilities	6B	4,283	6,719
<b>Total non-current liabilities</b>		<b>21,052</b>	<b>20,372</b>
<b>Total liabilities</b>		<b>642,555</b>	<b>627,976</b>
<b>Net assets</b>		<b>1,663,717</b>	<b>627,976</b>
<b>EQUITY</b>			
General funds	9A	-	-
Retained earnings (accumulated deficit)		1,663,717	311,732
<b>Total equity</b>		<b>1,663,717</b>	<b>311,732</b>

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

Independent Education Union (SA) Branch  
**Statement of Changes in Equity**  
*for the year ended 31 December 2021*

	Notes	General funds/ reserves \$	Retained earnings \$	Total equity \$
<b>Balance as at 1 January 2020</b>		-	302,463	302,463
Surplus / (deficit)		-	-	-
Other comprehensive income		-	-	-
Backpay adjustment		-	(3,729)	(3,729)
FBT adjustment		-	(11,436)	(11,436)
<b>Closing balance as at 31 December 2020</b>		-	311,732	311,732
<b>Balance as at 1 January 2021</b>			311,732	311,732
Surplus / (deficit)		-	1,461,985	1,461,985
Other comprehensive income		-	(110,000)	(110,000)
<b>Closing balance as at 31 December 2021</b>		-	1,663,717	1,663,717

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

**Independent Education Union (SA) Branch**  
**Statement of Cash Flows**  
*for the year ended 31 December 2021*

	Notes	2021 \$	2020 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Receipts from members		2,129,019	2,374,754
Interest		5,101	5,994
Other income – IEUSA Inc. support		-	-
<b>Cash used</b>			
Employees and suppliers		(1,908,011)	(2,199,179)
Lease payments for leases of low-value assets	6B	(1,632)	(1,088)
Interest payments and other finance costs	6B	(502)	(328)
<b>Net cash from (used by) operating activities</b>	10A	<u>223,473</u>	<u>180,153</u>
<b>INVESTING ACTIVITIES</b>			
<b>Cash used</b>			
Purchase of plant and equipment	6A	<u>(3,187)</u>	<u>(9,614)</u>
<b>Net cash from (used by) investing activities</b>		<u>(3,187)</u>	<u>(9,614)</u>
<b>FINANCING ACTIVITIES</b>			
<b>Cash used</b>			
Repayment of lease liabilities	6B	<u>(2,436)</u>	<u>(1,218)</u>
<b>Net cash from (used by) financing activities</b>		<u>(2,436)</u>	<u>(1,218)</u>
<b>Cash transferred from Independent Education Union (SA) Inc. for nil consideration</b>	12A	<u>302,516</u>	<u>-</u>
<b>Net increase (decrease) in cash held</b>		<u>520,868</u>	<u>169,321</u>
Cash & cash equivalents at the beginning of the reporting period		<u>909,795</u>	<u>740,474</u>
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	5A	<u>1,430,663</u>	<u>909,795</u>

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

# Index to the notes of the financial statements

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# Notes of the Financial Statements

## Note 1 Summary of significant accounting policies

### 1.1 Basis of preparation of the financial statements

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

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

### 1.2 Comparative amounts

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

### 1.3 Significant accounting judgements and estimates

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

### 1.4 New Australian Accounting Standards

#### ***Adoption of New Australian Accounting Standard requirements***

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

#### ***Impact on adoption of AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material***

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Reporting Unit.

## **Future Australian Accounting Standards**

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods that are expected to have a future financial impact on the Reporting Unit include:

### ***AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current***

This Standard amends AASB 101 *Presentation of Financial Statements* to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted. The Reporting Unit does not expect the adoption of this amendment to have an impact on its financial statements.

## **1.5 Transfer of assets and liabilities from Independent Education Union (SA) Inc. Independent Education Union (SA) Branch**

As of 25 February 2021, the members of the Executive Committee(s) of Independent Education Union (SA) Inc. (IEU(SA) Inc.) and Independent Education Union (SA) Branch (IEU(SA) Branch) jointly elected to take such steps as necessary to bring the assets and liabilities and income and expenditure of IEU(SA) Inc into the accounts and budget of IEU(SA) Branch in the interest of administrative efficiency and streamlining governance. Both entities share common membership whose dual membership fees are applied to the operating expenses of both entities. No member is a member of only one of the two entities. The combined assets and liabilities of the two entities remain the responsibility of the same group of members. The members of the Executive Committees of both entities are elected simultaneously by the same process. The governance of both entities is the responsibility of the same group of elected officials (operating separately) on behalf of the same group of members.

Refer note 12A for additional discussion regarding the transfer of assets and liabilities.

## **1.6 Revenue**

The Reporting Unit enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

### **Revenue from contracts with customers**

Where the Reporting Unit has a contract with a customer, the Reporting Unit recognises revenue when or as it transfers control of goods or services to the customer. The Reporting Unit accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other

parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

### **Membership subscriptions**

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the Reporting Unit.

If there is only one distinct membership service promised in the arrangement, the Reporting Unit recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Reporting Unit's promise to stand ready to provide assistance and support to the member as required.

### **Capitation fees**

Where the Reporting Unit's arrangement with a branch or another reporting unit meets the criteria to be a contract with a customer, the Reporting Unit recognises the capitation fees promised under that arrangement when or as it transfers the Reporting Unit to specify the goods or services that will transfer as part of its sufficiently specific promise to the branch/other reporting unit.

In circumstances where the criteria for a contract with a customer are not met, the Reporting Unit will recognise capitation fees as income upon receipt (as specified in the income recognition policy below).

### **Levies**

Levies paid by a member (or other party) in an arrangement that meets the criteria to be a contract with a customer is recognised as revenue when or as the Reporting Unit transfers the Reporting Unit to specify the goods or services that will transfer as part of its sufficiently specific promise to the branch/other reporting unit.

In circumstances where the criteria for a contract with a customer are not met, the Reporting Unit will recognise levies as income upon receipt (as specified in the income recognition policy below).

### **Gains from sale of assets**

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

### **Interest income**

Interest revenue is recognised on an accrual basis using the effective interest method.

### **Rental income**

Leases in which the Reporting Unit as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease

term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

## **1.7 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.

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. The 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.

## **1.8 Leases**

The Reporting Unit assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### **Reporting unit as a lessee**

The Reporting Unit applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Reporting Unit recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### **Right-of-use assets**

The Reporting Unit recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	2021	2020
Photocopier	3 years	3 years

If ownership of the leased asset transfers to the Reporting Unit at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

### **Lease liabilities**

At the commencement date of the lease, the Reporting Unit recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Reporting Unit and payments of penalties for terminating the lease, if the lease term reflects the Reporting Unit exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Reporting Unit uses the interest rate implicit in the lease or incremental borrowing rate if the implicit lease rate is not readily determinable, Reporting Unit to use as applicable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### **Short-term leases and leases of low-value assets**

The Reporting Unit's short-term leases are those that have a lease term of 12 months or less from the commencement. It also applies the lease of low-value assets recognition exemption to leases of telephone equipment that are below \$7,000. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

## **1.9 Borrowing costs**

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

## **1.10 Cash**

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

overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

### **1.11 Financial instruments**

Financial assets and financial liabilities are recognised when the Independent Education Union (SA) Branch becomes a party to the contractual provisions of the instrument.

### **1.12 Financial assets**

#### **Contract assets and receivables**

A contract asset is recognised when the Reporting Unit's right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on the Reporting Unit's future performance or some other condition.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets and receivables are subject to impairment assessment. Refer to accounting policies on impairment of financial assets below.

#### **Initial recognition and measurement**

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Independent Education Union (SA) Branch's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Reporting Unit initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Independent Education Union (SA) Branch business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Independent Education Union (SA) Branch commits to purchase or sell the asset.

#### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised cost

- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

#### **Financial assets at amortised cost**

The Independent Education Union (SA) Branch measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Independent Education Union (SA) Branch's financial assets at amortised cost includes trade receivables and loans to related parties.

#### **Derecognition**

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Independent Education Union (SA) Branch has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - a) the Independent Education Union (SA) Branch has transferred substantially all the risks and rewards of the asset, or
  - b) the Independent Education Union (SA) Branch has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Independent Education Union (SA) Branch has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Independent Education Union (SA) Branch continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

## **Offsetting**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## **Impairment**

### **(i) Trade receivables**

For trade receivables that do not have a significant financing component, the Independent Education Union (SA) Branch applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the Independent Education Union (SA) Branch does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Independent Education Union (SA) Branch has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

### **(ii) Debt instruments other than trade receivables**

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the Independent Education Union (SA) Branch recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Independent Education Union (SA) Branch expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).
- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The Independent Education Union (SA) Branch considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Independent Education Union (SA) Branch may also consider a financial asset to be in default when internal or external information indicates that the Independent Education Union (SA) Branch is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.



## **1.13 Financial Liabilities**

### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

Independent Education Union (SA) Branch's financial liabilities include trade and other payables.

### **Subsequent measurement**

#### **Financial liabilities at amortised cost**

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

#### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

## **1.14 Contingent Liabilities and Contingent Assets**

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

## **1.15 Land, Buildings, Plant and Equipment**

### ***Asset Recognition Threshold***

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

### **Revaluations — land and buildings**

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

### **Depreciation**

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight-line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	<b>2021</b>	<b>2020</b>
Plant and equipment	<b>1 to 7 years</b>	1 to 7 years

### **Derecognition**

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

## **1.16 Impairment of non-financial assets**

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the

asset would be replaced if the Independent Education Union (SA) Branch were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

### **1.17 Taxation**

Independent Education Union (SA) Branch is exempt from income tax under 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).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

### **1.18 Fair value measurement**

The Independent Education Union (SA) Branch 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 14A.

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 Independent Education Union (SA) Branch. 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 Independent Education Union (SA) Branch 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 Independent Education Union (SA) Branch 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 Independent Education Union (SA) Branch has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

#### **1.19 Going concern**

The Independent Education Union (SA) Branch is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

The Independent Education Union (SA) Branch has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

#### **Note 2 Events after the reporting period**

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Reporting Unit, the results of those operations, or the state of affairs of the Reporting Unit in subsequent financial periods.

**Note 3 Revenue and income**

	2021	2020
	\$	\$
<b>Note 3A: Capitation fees and other revenue from another reporting unit</b>		
<b>Capitation fees:</b>		
	-	-
<b>Subtotal capitation fees</b>	-	-
<b>Other revenue from another reporting unit:</b>		
	-	-
<b>Subtotal other revenue from another reporting unit</b>	-	-
<b>Total capitation fees and other revenue from another reporting unit</b>	-	-
<b>Note 3B: Levies</b>		
	-	-
<b>Total levies</b>	-	-
<b>Note 3C: Grants and/or donations</b>		
Grants	-	-
Donations	-	-
<b>Total grants and donations</b>	-	-
<b>Note 3D: Revenue from recovery of wages activity</b>		
Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
<b>Total revenue from recovery of wages activity</b>	-	-
<b>Note 3E: Investment income</b>		
Interest		
Deposits	5,101	5,994
Loans	-	-
Debt instruments at fair value through other comprehensive income	-	-
Dividends	-	-
<b>Total investment income</b>	5,101	5,994

	2021	2020
	\$	\$
<b>Note 3F: Other income</b>		
IEU (SA) Inc. support	-	-
PAYG Refund from ATO	-	100,000
TRB Sitting Fees	5,603	-
Parental Leave Reimbursements	6,031	7,539
Sundry Income	1,729	512
<b>Total Other income</b>	<u>13,363</u>	<u>108,051</u>

#### Note 4 Expenses

	2021	2020
	\$	\$
<b>Note 4A: Employee expenses</b>		
<b>Holders of office:</b>		
Wages and salaries	190,064	184,640
Superannuation	28,502	29,053
Leave and other entitlements	(15,877)	19,970
Separation and redundancies	-	-
Other employee expenses	4,050	8,942
<b>Subtotal employee expenses holders of office</b>	<u>206,739</u>	<u>242,605</u>
<b>Employees other than office holders:</b>		
Wages and salaries	1,014,847	1,103,323
Superannuation	150,809	151,510
Leave and other entitlements	43,170	(65,700)
Separation and redundancies	-	-
Other employee expenses	128,508	121,110
<b>Subtotal employee expenses employees other than office holders</b>	<u>1,337,333</u>	<u>1,310,243</u>
<b>Total employee expenses</b>	<u>1,544,073</u>	<u>1,552,848</u>

#### Note 4B: Capitation fees

Independent Education Union Australia	57,786	62,927
<b>Total capitation fees</b>	<u>57,786</u>	<u>62,927</u>

#### Note 4C: Affiliation fees

Australian Council of Trade Unions	24,206	20,282
Other	11,382	504
<b>Total affiliation fees/subscriptions</b>	<u>35,588</u>	<u>20,786</u>

	2021	2020
	\$	\$
<b>Note 4D: Administration expenses</b>		
Total paid to employers for payroll deductions of membership subscriptions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	8,644	8,035
Contractors/consultants	3,120	4,881
Property expenses	41,296	18,128
Office expenses	45,899	33,989
Information communications technology	36,135	27,792
Staff / Exec mobility and meals	49,069	49,224
Promotional material / benefits	13,206	20,153
Training and development	22,330	15,706
Other	9,390	6,821
<b>Subtotal administration expenses</b>	<u>229,089</u>	<u>184,729</u>

**Note 4E: Grants or donations**

Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	100
Total paid that exceeded \$1,000	-	-
<b>Total grants or donations</b>	<u>-</u>	<u>100</u>

**Note 4F: Depreciation**

Depreciation		
Plant and equipment	7,424	2,901
Right-of-use assets	3,181	1,245
<b>Total depreciation</b>	<u>10,605</u>	<u>4,146</u>

**Note 4G: Finance costs**

Merchant / payment fees	19,959	19,822
<b>Total finance costs</b>	<u>19,959</u>	<u>19,822</u>

**Note 4H: Legal costs**

Litigation	26,979	36,074
Other legal costs	-	-
<b>Total legal costs</b>	<u>26,979</u>	<u>36,074</u>

**Note 4I: Other expenses**

Penalties - via RO Act or <i>Fair Work Act 2009</i>	-	-
<b>Total other expenses</b>	<u>-</u>	<u>-</u>

	2021	2020
	\$	\$

**Note 5 Current Assets**

**Note 5A: Cash and Cash Equivalents**

Cash at bank	530,436	609,495
Cash on hand	227	300
Short term deposits	900,000	300,000
<b>Total cash and cash equivalents</b>	<u>1,430,663</u>	<u>909,795</u>

**Note 5B: Trade and Other Receivables**

**Receivables from other reporting unit(s)**

	-	-
<b>Total receivables from other reporting unit(s)</b>	<u>-</u>	<u>-</u>

**Less allowance for expected credit losses**

	-	-
<b>Total allowance for expected credit losses</b>	<u>-</u>	<u>-</u>
<b>Receivable from other reporting unit(s) (net)</b>	<u>-</u>	<u>-</u>

**Other receivables:**

Other trade receivables	-	-
Accrued interest	2,464	3,600
<b>Total other receivables</b>	<u>2,464</u>	<u>3,600</u>
<b>Total trade and other receivables (net)</b>	<u>2,464</u>	<u>3,600</u>

The movement in the allowance for expected credit losses of trade and other receivables is as follows:

At 1 July	-	-
Provision for expected credit losses	-	-
Write-off	-	-
<b>At 30 June</b>	<u>-</u>	<u>-</u>

**Note 5C: Other Current Assets**

Prepayments	4,915	4,419
<b>Total other current assets</b>	<u>4,915</u>	<u>4,419</u>



## Note 6 Non-current Assets

### Note 6A: Property, Plant and Equipment

2021

	Land & Buildings	Motor Vehicles	Plant and Equipment	Total
	\$	\$	\$	\$
Property, Plant and Equipment:				
carrying amount	850,000	33,881	290,403	1,174,284
accumulated depreciation	-	(32,143)	(279,028)	(311,171)
<b>Total Property, Plant and Equipment</b>	<b>850,000</b>	<b>1,738</b>	<b>11,375</b>	<b>863,113</b>

### *Reconciliation of opening and closing balances of property, plant and equipment*

<b>Net book value 1 January 2021</b>	-	-	13,596	13,596
Additions:				
By purchase	-	978	2,209	3,187
By transfer from IEU(SA) Inc.	960,000	3,754	-	963,754
Revaluations	(110,000)	-	-	(110,000)
Impairments	-	-	-	-
Depreciation expense	-	(2,994)	(4,430)	(7,424)
Disposals:	-	-	-	-
<b>Net book value 31 December 2021</b>	<b>850,000</b>	<b>1,738</b>	<b>11,375</b>	<b>863,113</b>
<b>Net book value as of 30 June 2021 represented by:</b>				
Gross book value	850,000	33,881	290,403	1,174,284
Accumulated depreciation and impairment	-	(32,143)	(279,028)	(311,171)
<b>Net book value 31 December 2021</b>	<b>850,000</b>	<b>1,738</b>	<b>11,375</b>	<b>863,113</b>

**Note 6A: Property, Plant and Equipment (continued)**

**2020**

	Land & Buildings	Motor Vehicles	Plant and Equipment	Total
	\$	\$	\$	\$
Property, Plant and Equipment:				
carrying value	-	-	288,194	288,194
accumulated depreciation	-	-	(274,598)	(274,568)
<b>Total Property, Plant and Equipment</b>	<b>-</b>	<b>-</b>	<b>13,596</b>	<b>13,596</b>

***Reconciliation of opening and closing balances of property, plant and equipment***

<b>Net book value 1 January 2020</b>	-	-	6,883	6,883
Additions:	-	-	-	-
By purchase	-	-	9,614	9,614
Revaluations	-	-	-	-
Impairments	-	-	-	-
Depreciation expense	-	-	(2,901)	(2,901)
Disposals:	-	-	-	-
<b>Net book value 31 December 2020</b>	<b>-</b>	<b>-</b>	<b>13,596</b>	<b>13,596</b>
<b>Net book value as of 31 December 2020 represented by:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Gross book value	-	-	288,194	288,194
Accumulated depreciation and impairment	-	-	(274,598)	(274,598)
<b>Net book value 31 December 2020</b>	<b>-</b>	<b>-</b>	<b>13,596</b>	<b>13,596</b>

The revalued land and buildings consist of the Property – 213 Currie Street, Adelaide. Management determined that this constitutes one class of asset under AASB 13 *Fair Value Measurement*, based on the nature, characteristics and risks of the property.

Fair value of the property was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for the difference in the nature, location or condition of the specific property. As at the date of revaluation 2 October 2021, the property's fair value was based on valuations performed by the Valuer General of South Australia in accordance with the Valuation of Land Act 1971.

If the land and buildings were measured using the cost model, the carrying amounts would be, as follows:

	<b>2021</b>	2020
	<b>\$</b>	\$
Cost	960,000	-
Accumulated depreciation and impairment	(110,000)	-
<b>Net carrying amount</b>	<b>850,000</b>	-

## **Note 6B: Leases**

### **Reporting Unit as a lessee**

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	<b>Photocopier</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>As at 31 December 2020</b>	8,298	8,298
Additions	-	-
Depreciation expense	(3,181)	(3,181)
<b>As at 31 December 2021</b>	<b>5,117</b>	<b>5,117</b>

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	<b>2021</b>	2020
	<b>\$</b>	\$
<b>As at 1 January</b>	8,653	-
Additions	-	9,543
Accretion of interest	502	328
Payments	(2,436)	(1,218)
<b>As at 31 December</b>	<b>6,719</b>	<b>8,653</b>
Current	2,436	1,934
Non-current	4,283	6,719

	<b>2021</b>	2020
	\$	\$
The following are the amounts recognised in profit or loss:		
Depreciation expense of right-of-use assets	3,181	1,245
Interest expense on lease liabilities	502	328
Expense relating to short-term leases	-	-
Expense relating to leases of low-value assets (included in administrative expenses)	1,632	1,088
<b>Total amount recognised in profit or loss</b>	<b>5,315</b>	<b>2,661</b>

## Note 7 Current Liabilities

	<b>2021</b>	2020
	\$	\$
<b>Note 7A: Trade payables</b>		
Trade creditors	3,281	15,333
ATO payable	79,957	92,751
Operating lease rentals	-	-
<b>Subtotal trade creditors</b>	<b>83,238</b>	<b>108,084</b>
<b>Payables to other reporting unit</b>		
Independent Education Union of Australia NSW/ACT	-	18
<b>Subtotal payables to other reporting unit</b>	<b>-</b>	<b>18</b>
<b>Total trade payables</b>	<b>83,238</b>	<b>108,102</b>

Settlement is usually made within 30 days.

## Note 7B: Other payables

Payable to employers for making payroll deductions of membership subscriptions	-	-
Legal costs		
Litigation	-	-
Other legal costs	-	-
Accrued expenses	37,790	16,600
Membership fees in advance	38,725	45,232
Other	8,183	8,783
<b>Total other payables</b>	<b>84,698</b>	<b>70,615</b>
Total other payables are expected to be settled in:		
No more than 12 months	84,698	70,615
More than 12 months	-	-
<b>Total other payables</b>	<b>84,698</b>	<b>70,615</b>

**Note 8 Provisions**

	2021	2020
	\$	\$
<b>Note 8A: Employee Provisions</b>		
<b>Office Holders:</b>		
Annual leave	83,614	108,471
Long service leave	122,993	114,839
Separation and redundancies	-	-
Other employee provisions	-	-
<b>Subtotal employee provisions—office holders</b>	<u>206,606</u>	<u>223,310</u>
<b>Employees other than office holders:</b>		
Annual leave	114,091	97,076
Long service leave	147,202	120,220
Separation and redundancies	-	-
Other employee provisions	-	-
<b>Subtotal employee provisions—employees other than office holders</b>	<u>261,293</u>	<u>217,296</u>
<b>Total employee provisions</b>	<u>467,899</u>	<u>440,606</u>
Current	451,131	426,953
Non-Current	16,769	13,653
<b>Total employee provisions</b>	<u>467,899</u>	<u>440,606</u>

**Note 9 Equity**

	2021	2020
	\$	\$
<b>Note 9A: General funds</b>		
<b>Balance as at start of year</b>	-	-
Transferred to general fund	-	-
Transferred out of general fund	-	-
<b>Balance as at end of year</b>	<u>-</u>	<u>-</u>
<b>Total general funds</b>	<u>-</u>	<u>-</u>
<b>Note 9B: Other funds</b>		
<b>Compulsory levy/voluntary contribution fund</b>		
<b>Balance as at start of year</b>	-	-
Transferred to fund, account or controlled entity	-	-
Transferred out of fund, account or controlled entity	-	-
<b>Balance as at end of year</b>	<u>-</u>	<u>-</u>
<b>Total compulsory levy/voluntary contribution fund</b>	<u>-</u>	<u>-</u>

**Other fund(s) required by rules**

<b>Balance as at start of year</b>	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
<b>Balance as at end of year</b>	-	-

**Note 10 Cash Flow**

<b>2021</b>	<b>2020</b>
<b>\$</b>	<b>\$</b>

**Note 10A: Cash Flow Reconciliation****Reconciliation of cash and cash equivalents as per Balance Sheet to****Cash Flow Statement:****Cash and cash equivalents as per:**

Cash flow statement	1,430,663	909,795
Balance sheet	1,430,663	909,795
<b>Difference</b>	-	-

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

Total comprehensive income for the year	1,351,985	302,463
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**Adjustments for non-cash items**

Depreciation	10,605	4,146
Recognition of right of use assets	-	(9,543)
Gain on transfer of net assets from Independent Education Union (SA) Inc.	(1,273,858)	-
Net transactions received / paid by IEU (SA) Inc. on behalf of IEU (SA) Branch	7,588	-
Gain/(loss) on revaluation of property	110,000	-

**Changes in assets/liabilities**

(Increase)/decrease in net receivables	1,136	3,309
(Increase)/decrease in prepayments	(496)	700
Increase/(decrease) in trade and other payables	(10,781)	(30,199)
Increase/(decrease) in employee provisions	27,294	(90,723)
<b>Net cash from (used by) operating activities</b>	<b>223,473</b>	<b>180,153</b>

**Note 10B: Cash flow information**

## Cash inflows

Independent Education Union of Australia (IEUA)	-	-
Independent Education Union of Australia NSW/ACT Branch	-	-
<b>Total cash inflows</b>	<b>-</b>	<b>-</b>

## Cash outflows

Independent Education Union of Australia (IEUA)	(90,192)	(91,530)
Independent Education Union of Australia NSW/ACT Branch	(376)	(366)
<b>Total cash outflows</b>	<b>(90,568)</b>	<b>(91,896)</b>

## Note 11 Contingent Liabilities, Assets and Commitments

### Note 11A: Commitments and contingencies

#### Other contingent assets or liabilities (i.e., legal claims)

Management are not aware of any contingent liabilities, assets or commitments at the date of the financial statements other than as disclosed elsewhere within the financial statements.

## Note 12 Related Party Disclosures

### Note 12A: Related Party Transactions for the Reporting Period

As of 25 February 2021, the members of the Executive Committee(s) of Independent Education Union (SA) Inc. (IEU(SA) Inc.) and Independent Education Union (SA) Branch (IEU(SA) Branch) jointly elected to take such steps as necessary to bring the assets and liabilities and income and expenditure of IEU(SA) Inc into the accounts and budget of IEU(SA) Branch in the interest of administrative efficiency and streamlining governance. Both entities share common membership whose dual membership fees are applied to the operating expenses of both entities. No member is a member of only one of the two entities. The combined assets and liabilities of the two entities remain the responsibility of the same group of members. The members of the Executive Committees of both entities are elected simultaneously by the same process. The governance of both entities is the responsibility of the same group of elected officials (operating separately) on behalf of the same group of members.

IEU (SA) Branch pays capitation fees to Independent Education Union of Australia (IEUA) on behalf of members. IEU (SA) Branch reimburses IEUA for Australian Council of Trade Unions affiliation fees paid.

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

	2021	2020
<b>Income received from Independent Education Union (SA) Inc. includes the following:</b>	<b>\$</b>	<b>\$</b>
Other income – IEUSA Inc. support	-	-
Loan received	-	-
<b>Net assets transferred from Independent Education Union (SA) Inc. includes the following:</b>		
Cash at bank	302,516	-
Motor Vehicles (WD Value)	3,754	-
Property – 213 Currie Street, Adelaide	960,000	-
Net transactions received / paid by IEU (SA) Inc. on behalf of IEU (SA) Branch	7,588	-
Net assets transferred	1,273,858	-
<b>Expenses paid to Independent Education Union (SA) Inc. includes the following:</b>		
Rent and vehicle reimbursement	105	8,845
Other administrative reimbursement	-	-
Loan repayment	-	-
<b>Expenses paid to Independent Education Union of Australia includes the following:</b>		
Capitation fees	57,786	62,927
ACTU affiliation fees	24,206	20,282

**Expenses paid to Independent Education Union of Australia NSW/ACT Branch includes the following:**

Publications/Subscriptions	342	333
Speaker Costs	-	-

**Terms and conditions of transactions with related parties**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2021, the Reporting Unit has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2020: \$nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

<b>2021</b>	<b>2020</b>
<b>\$</b>	<b>\$</b>

**Note 12B: Key Management Personnel Remuneration for the Reporting Period**

Glen Seidel (Secretary) and Britta Jureckson (President) have been identified as key management personnel.

**Short-term employee benefits**

Salary (including annual leave taken)	190,064	184,640
Annual leave accrued	(23,626)	5,432
Honorarium – B Jureckson	-	5,200
<b>Total short-term employee benefits</b>	<u>166,438</u>	<u>195,272</u>

**Post-employment benefits:**

Superannuation	28,502	29,053
<b>Total post-employment benefits</b>	<u>28,502</u>	<u>29,053</u>

**Other long-term benefits:**

Long-service leave	7,750	14,538
<b>Total other long-term benefits</b>	<u>7,750</u>	<u>14,538</u>

<b>Total</b>	<u>202,690</u>	<u>238,863</u>
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**Note 13 Remuneration of Auditors**

<b>2021</b>	<b>2020</b>
<b>\$</b>	<b>\$</b>

**Value of the services provided**

Financial statement audit services	17,200	17,296
Other services	3,578	2,100
<b>Total remuneration of auditors</b>	<u>20,778</u>	<u>19,396</u>

A fee of \$3,452 incl GST was charged by Thnk Advisory (a business with common ownership to Australian Independent Audit Services) for assistance provided in respect to software conversion, training and related queries.



## Note 14 Financial Instruments

Independent Education Union (SA) Branch manages risk and risk exposures through the oversight of the Executive Committee. Primarily, the Independent Education Union (SA) Branch is exposed to credit risk and liquidity risk.

- Credit risk is the risk that a counterparty will not meet its obligations under a customer contract, leading to a financial loss. The entity is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions.
- Liquidity risk is monitored to ensure the entity is able to meet debt obligations as and when they fall due.

### Note 14A: Categories of Financial Instruments

	2021 \$	2020 \$
<b>Financial Assets</b>		
Held-to-maturity investments:		
Cash and cash equivalents	1,430,663	909,795
<b>Total</b>	<u>1,430,663</u>	<u>909,795</u>
At amortised cost:		
Trade and other receivables	2,464	3,600
<b>Total</b>	<u>2,464</u>	<u>3,600</u>
<b>Carrying amount of financial assets</b>	<u><u>1,433,127</u></u>	<u><u>913,395</u></u>
<b>Financial Liabilities</b>		
Other financial liabilities:		
Trade and other payables	129,211	133,485
<b>Total</b>	<u>129,211</u>	<u>133,485</u>
<b>Carrying amount of financial liabilities</b>	<u><u>129,211</u></u>	<u><u>133,485</u></u>

### Note 14B: Net Income and Expense from Financial Assets

#### Held-to-maturity

Interest revenue	5,101	5,994
<b>Net gain/(loss) held-to-maturity</b>	<u>5,101</u>	<u>5,994</u>

#### Amortised cost

<b>Net gain/(loss) amortised costs</b>	-	-
<b>Net gain/(loss) from financial assets</b>	<u>5,101</u>	<u>5,994</u>

The net income from financial assets not at fair value from profit and loss is \$5,101 (2020: \$5,994).

### Note 14C: Net Income and Expense from Financial Liabilities

#### At amortised cost

Interest expense	-	-
<b>Net gain/(loss) financial liabilities - at amortised cost</b>	-	-
<b>Net gain/(loss) from financial liabilities</b>	<u>-</u>	<u>-</u>

**Note 14D: Credit Risk**

The credit risk to Independent Education Union (SA) Branch of a counterparty not meeting its obligation is appropriately managed by the Executive Committee. The Committee does not believe there is a concentration of risk in any counterparty that is not appropriately managed. The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

**Financial assets**

Cash and cash equivalents	1,430,663	909,795
Trade and other receivables	2,464	3,600
<b>Total</b>	<b>1,433,127</b>	<b>913,395</b>

Trade and other payables	129,211	133,485
<b>Total</b>	<b>129,211</b>	<b>133,485</b>

In relation to the entity's gross credit risk the following collateral is held: Nil

Set out below is the information about the credit risk exposure on financial assets using a provision matrix:

	31 December 2021					
	Trade and other receivables					
	Days past due					Total
Current	<30 days	30-60 days	61-90 days	>91 days		
	\$	\$	\$	\$	\$	\$
Expected credit loss rate	-%	-%	-%	-%	-%	
Estimate total gross carrying amount at default			-	-	-	-
Expected credit loss			-	-	-	-

	31 December 2020					
	Trade and other receivables					
	Days past due					Total
Current	<30 days	30-60 days	61-90 days	>91 days		
	\$	\$	\$	\$	\$	\$
Expected credit loss rate	-%	-%	-%	-%	-%	
Estimate total gross carrying amount at default			-	-	-	-
Expected credit loss			-	-	-	-

The Independent Education Union (SA) Branch's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2021 and 2020 is the carrying amounts as illustrated in Note 14D.

## Note 14E: Liquidity Risk

The Independent Education Union (SA) Branch monitors its liquidity risk through the Executive Committee. The entity has cash on deposit that can be accessed when required to meet debt obligations as and when they fall due.

### Contractual maturities for financial liabilities 2021

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade and other payables	-	129,211	-	-	-	129,211
<b>Total</b>	-	129,211	-	-	-	129,211

### Contractual maturities for financial liabilities 2020

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade and other payables	-	133,485	-	-	-	133,485
<b>Total</b>	-	133,485	-	-	-	133,485

## Note 14F: Market Risk

The Independent Education Union (SA) Branch does not currently have any exposure to market risk.

## Note 15 Fair Value Measurement

### Note 15A: Financial Assets and Liabilities

Management of the reporting unit assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at year-end date was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at year-end reporting date the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The following table contains the carrying amounts and related fair values for the Independent Education Union (SA) Branch financial assets and liabilities:

	<b>Carrying amount 2021 \$</b>	<b>Fair value 2021 \$</b>	Carrying amount 2020 \$	Fair value 2020 \$
<b>Financial Assets</b>				
Cash and cash equivalents	1,430,663	1,430,663	909,795	909,795
Trade and other receivables	2,464	2,464	3,600	3,600
<b>Total</b>	<b>1,433,127</b>	<b>1,433,127</b>	<b>913,395</b>	<b>913,395</b>
<b>Financial Liabilities</b>				
Trade and other payables	129,211	129,211	133,485	133,485
<b>Total</b>	<b>129,211</b>	<b>129,211</b>	<b>133,485</b>	<b>133,485</b>

### **Note 16 Section 272 Fair Work (Registered Organisations) Act 2009**

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

Information to be provided to members or Commissioner:

- (1) A member of a reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the Reporting Unit.
- (3) A Reporting Unit must comply with an application made under subsection (1).

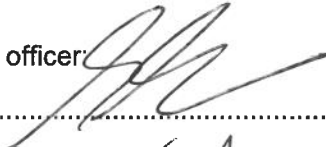
Independent Education Union (SA) Branch  
**Officer Declaration Statement**

I, Glen Seidel, being the Secretary of the Independent Education Union (SA) Branch, declare that the following activities did not occur during the reporting period ending 31 December 2021.

The reporting unit did not:

- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signed by the officer:



Dated:

08 March 2022