



10 May 2014

Mr Ron Bamford
President
Australian Principals Federation
via email: apf@apf.net.au
cc: astefani@apf.net.au

Dear Mr Bamford,

**Australian Principals Federation
Financial Report for the year ended 30 June 2013 [FR2013/370]**

I acknowledge receipt of the financial report of the Australian Principals Federation. The documents were lodged with the Fair Work Commission on 2 December 2013.

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.

Please note that the financial report for the year ending 30 June 2014 may be subject to an advanced compliance review.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged. The Fair Work Commission will confirm these concerns have been addressed prior to filing next year's report.

Timescale requirements

As you are aware, an organisation is required under the RO Act to undertake certain steps in accordance with specified timelines. Information about these timeline requirements can be found on the Fair Work Commission website. In particular, I draw your attention to [Financial reporting process](#) which explains the timeline requirements, and [Summary of financial reporting timelines](#) which sets out the timeline requirements in diagrammatical form.

I note that the following timescale requirements were not met:

Documents must be lodged with the Fair Work Commission within 14 days of General Meeting

Section 268 of the RO Act states that the full report and the designated officer's certificate are required to be lodged with the Fair Work Commission within 14 days of the meeting of the Committee of Management. The Designated Officer's Certificate indicates that this meeting occurred on 15 November 2013. If this is correct the full report should have been lodged with the Fair Work Commission by 29 November 2013.

The full report was lodged on 2 December 2013.

If these dates are correct, the branch should have applied for an extension of time to lodge the required reports and the designated officer's certificate in accordance with section 268 of the RO Act.

Please note that in future financial years a written request for an extension of time, signed by a relevant officer, including any reason for the delay, must be made if the branch cannot lodge on time.

Disclosure of employee provisions for office holders and other employees

Paragraph 21 of the Reporting Guidelines sets out the liabilities required to be disclosed in the financial statements. Paragraph 21(c) sets out disclosures with respect to office holders and Paragraph 21(d) sets out disclosures with respect to other employees. Paragraph 22 of the Reporting Guidelines requires that if any of the activities identified in Paragraph 21 have not occurred in the reporting period, a statement to this effect be included in the financial statements or notes.

I note that the GPFR discloses that there are no employee expenses. The Reporting Guidelines also require a statement that employee provisions have not been made with respect to office holders and other employees.

If you have any queries regarding this letter, please contact me on (03) 8661 7942 or via email at rebecca.lee@fwc.gov.au.

Yours sincerely,



Rebecca Lee
Regulatory Compliance Branch



Australian Principals Federation

APF

Suite 1315A
401 Docklands Drive
Docklands Vic 3008
Tel; 03 8566 7627
Fax: 03 8566 7630
Email: apf@apf.net.au

440 Vincent Street West
Leederville WA 6007
Phone: 08 6380 2344
Fax: 08 6380 2955
Email: apf@apf.net.au

Certificate of Secretary or Other Authorised Officer
2012 -13 Australian Principals Federation
Federal Office

I, Christopher Cotching, being the President of the Australian Principals Federation certify:

- that the documents lodged herewith are copies of the full report for the Australian Principals Federation Federal Office for the period ended 30th June 2013 referred to in s268 of Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members on 21st October 2013 ; and
- that the full report was presented to the Committee of Management held on 15th November 2013.

Chris Cotching
President
Date: 02th December 2013

**THE AUSTRALIAN PRINCIPALS FEDERATION
FEDERAL OFFICE**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

CONTENTS

	Page
Operating Report	3
Committee of Management Statement	7
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Cash Flow Statement	12
Recovery of Wages Activity	13
Notes to and Forming Part of the Financial Statements	14
Independent Audit Report	20

**THE AUSTRALIAN PRINCIPALS FEDERATION
FEDERAL OFFICE**

OPERATING REPORT FOR THE FINANCIAL YEAR 2013

Review of Principal Activities

The Australian Principals Federation's (APF) Federal body acts as an umbrella and coordinating organisation of the two state branches, Western Australia and Victoria.

The APF registration was reinstated under the *Fair Work Act 2009* and deemed continuous since it was first granted on 30 January 2006.

During the last reporting period representations continued to be made by The Federal President to Principal Associations of NSW, Queensland, Tasmania, the Northern Territory and South Australia as well as to the Victorian Association of Catholic Primary School Principals. Furthermore, the experience of liaising with these organisations further informs the position of the APF in relation to the comparative entitlements of Principal Class Officers and School Leaders. There continues to be ongoing interest in the formation of APF branches in other States and Territories.

The APF continues to liaise with these organisations as demand increases for Principal Class Officers and School Leaders seek separate industrial coverage from those of teachers and other others within the area of schools. Advice from legal counsel has been obtained on occasions to further this objective and /or to provide advice as sought. Subsequent visitations and exchanges continued to occur throughout the reporting period. It is anticipated that this will continue in the upcoming reporting period.

Significant Changes for the Branch

Throughout the period the APF Federal Office has become aware of the proposed changes reflected in the Fair Work (Registered Organisations) (Amendment) Act 2012 which require changes to reporting requirements from 29th June 2012.

We are pleased to advise that the Federal Council and Executive has been kept informed of these changes following advice sought from legal counsel at *Ryan, Carlisle and Thomas*. Consequently, consistent with our rules changes on 24th June 2013, the Federal Council approved related changes and under Regulation 126 (1) (b) lodged with the *Fair Work Commission* notification seeking approval for these changes.

On 24th June 2013 the following was placed on our APF website:

On 24th June APF lodged with the Fair Work Commission a Notice of alteration of its Rules seeking Commission approval of the alterations. The alterations are directed to ensuring compliance with the requirements of the Fair Work (Registered Organisations) (Amendment) Act 2012 which concern issues such as Union expenditure policies, officers' disclosure of remuneration and personal interest and financial training.

**THE AUSTRALIAN PRINCIPALS FEDERATION
FEDERAL OFFICE**

OPERATING REPORT FOR THE FINANCIAL YEAR 2013

Significant Changes for the Branch (continued)

Increasingly, Principal Class Officers are becoming aware of the need for an industrial organisation to safeguard and promote their interests. The introduction of the *Independent Public Schools* initiative in Western Australia and more recently, as proposed in Queensland are reflecting a very different industrial paradigm for Principal Class Officers and School Leaders in those jurisdictions. The changes in the political pendulum to the conservative scales signal some progress in these developments in the coming years.

Perhaps what is more poignant is the response the APF is providing to initiatives proposed and /or muted in Victoria, which given employment trends could see expressions in other States. Similarly, the progression in Victoria to the stated *third wave of reform* and the supporting documentation *Toward Victoria as a Learning Community* has significant ramifications for the employment status, conditions and entitlements of Principal Class Officers. The APF has been vehemently opposed to the notion that a School Council, Board or other form of governing body would employ the Principal; determine the staffing profile of a school and/or engage in dialogue about the Performance Management of the Principal Class. To this end the APF has made submissions to the discussion paper *New Directions for School Leaders and the Teaching Profession (September 2012)* and in response to the draft report by the Victorian Competition and Efficiency Commission into *School Devolution and Accountability (May 2013)* Further submissions will be made in the coming period upon release of the discussion paper into School Governance by the Department of Education and Early Childhood Development to protect and advocate for the interests of Principal Class Officers in this area. Again the APF is mindful that the increased drive for greater autonomy and devolution in Victoria has a corollary that if left unchecked, will create challenges and difficulties to those school leaders employed not only in Victoria, but also in other States and jurisdictions.

The renewed interest in membership from other States and Territories is partly a result of Principal Class Officers recognising that they work in a system characterised by driven demands for policy change and implementation, and the concomitant potential for conflict at a range of levels with teachers, school councils and other stakeholders. Already this has resulted in an increase in interest for membership towards the end of the reporting period. We expect that this will continue into the future, particularly as models for increased devolution and /or autonomy are presented by employers in Queensland, NSW and the Northern Territory.

The APF is an independent organisation deriving funds from membership subscription only. Whilst the recent EBA process in Victoria did not yield a separate Principal Class Agreement the APF became a party under sections 183 and 201 (2) of the Fair Work Act 2009 at certification on 3rd July 2013. This has been an historic first for the APF and augurs well for EBA developments in other States and or Territories regardless of whether such places have jurisdiction under the Federal arena or rely on State based Industrial Relations processes.

**THE AUSTRALIAN PRINCIPALS FEDERATION
FEDERAL OFFICE**

OPERATING REPORT FOR THE FINANCIAL YEAR 2013

Significant Changes to Financial Affairs

A range of initiatives have contributed positively to the operational viability of the Australian Principals Federation. These include but are not limited to:

- the provision of an updated interactive website
- an ongoing interest in establishing relationships and ultimately a demand for Branches to be established in other States. This has been particularly evident from continuing dialogue undertaken with personnel from NSW, Tasmania, South Australia Queensland and Northern Territory
- improvements in documentation and support to Federal Councillors and members
- the establishment of a range of representational, advocacy and reporting arrangements at the bureaucratic and political levels
- membership drive with high levels of presence and connectedness
- the completion in March 2013 of a payment plan established in negotiation and understanding with *Ryan, Carlisle and Thomas*, following the completion of a successful outcome at the High Court regarding the registration of the Australian Principals Federation.

Right to Resign

A members' right to resign is regulated by Section 174 of the Fair Work (Registered Organisations) Act 2009 and is covered by Rule 12 which provides *inter alia* that a member may resign by written notice addressed and delivered to the President.

Trustee of Superannuation Entity

The APF Federal Office has no officers or members who are trustees of a superannuation entity or of an exempt public sector superannuation scheme or a director of a company that is a trustee of such an entity or scheme.

Number of Members

The number of financial members of the APF Federal Office as at 30 June 2013 was 1,157.

Number of Employees

The APF Federal Office had no employees in the reporting period.

**THE AUSTRALIAN PRINCIPALS FEDERATION
FEDERAL OFFICE**

OPERATING REPORT FOR THE FINANCIAL YEAR 2013

Committee of Management (APF Federal Office Council)

For the entirety of the financial year, 1 July 2012 to 30 June 2013, the individuals listed below held office of the Australian Principals Federation - Federal Office Council unless otherwise stated.

Name	Sector	Constituency
Chris Cotching	Primary	Statewide Victorian
Kevin Mackay	Primary	Statewide Victorian
David Finnerty	Secondary	Statewide Victorian
Rod Kendall	Secondary	Statewide Victorian
Rosemary Simpson	Primary	Statewide Western Australian
Noel Strickland	Primary	Statewide Western Australian
Ron Bamford	Secondary	Statewide Western Australian
Peter Fitzgerald	Secondary	Statewide Western Australian



Chris Cotching
President
18 October 2013

**THE AUSTRALIAN PRICIPALS FEDERATION
FEDERAL OFFICE**

**COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013**

On 18 October 2013 the Committee of Management of The Australian Principals Federation passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2013.

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (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) 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 of a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
 - (vi) where any order of inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

**THE AUSTRALIAN PRICIPALS FEDERATION
FEDERAL OFFICE**

**COMMITTEE OF MANAGEMENT STATEMENT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2013**

- (f) in relation to recovery of wages activity:
- (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the General Manager; and
 - (ii) the committee of management instructed the auditor to include in the scope of the audit required under subsection 257(1) of the RO Act all recovery of wages activity by the reporting unit from which revenues had been derived for the financial year in respect of such activity; and
 - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
 - (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
 - (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

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



Chris Cotching
President
18 October 2013

**THE AUSTRALIAN PRINCIPALS FEDERATION
FEDERAL OFFICE**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013**

	NOTE	2013 \$	2012 \$
INCOME			
Subscriptions		-	-
Capitation Fees	3	7,115	9,128
Levies		-	-
Interest		133	216
Grants or Donations		-	-
Other Revenue		-	-
		-----	-----
		7,248	9,344
		-----	-----
LESS EXPENDITURE			
Employee Expenses		-	-
Capitation Fees		-	-
Affiliation Fees		-	-
Administration Expenses		-	42
Grants or Donations		-	-
Depreciation		-	-
Legal Costs	4	5,000	96,567
Audit Fees		1,100	1,000
Bad Debts		4,333	-
Penalties under the RO Act		-	-
		-----	-----
		10,433	97,609
		-----	-----
Other Comprehensive Income			
Legal fees paid by the Victorian Branch		-	34,493
		-----	-----
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(3,185)	(53,772)
		=====	=====

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

**THE AUSTRALIAN PRINCIPALS FEDERATION
FEDERAL OFFICE**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013**

	NOTE	2013 \$	2012 \$
CURRENT ASSETS			
Cash	5	824	2,085
Receivables		4,726	10,041
		-----	-----
TOTAL CURRENT ASSETS		5,550	12,126
		-----	-----
TOTAL ASSETS		5,550	12,126
		-----	-----
CURRENT LIABILITIES			
Creditors		5,500	61,970
GST Liabilities		(1,489)	(6,178)
		-----	-----
TOTAL CURRENT LIABILITIES		4,011	55,792
		-----	-----
NON-CURRENT LIABILITIES			
Loan from APF Victorian Branch	7	48,390	-
		-----	-----
TOTAL NON-CURRENT LIABILITIES		48,390	-
		-----	-----
TOTAL LIABILITIES		52,401	55,792
		-----	-----
NET ASSETS		(46,851)	(43,666)
		=====	=====
MEMBERS' EQUITY			
Retained Profits/(Accumulated Losses)		(46,851)	(43,666)
		=====	=====

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

**THE AUSTRALIAN PRICIPALS FEDERATION
FEDERAL OFFICE**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013**

	2013	2012
	\$	\$
Total equity at the beginning of the financial year	(43,666)	10,106
Operating Profit (Loss) for the year	(3,185)	(53,772)
Total equity at the end of the financial year	----- (46,851) =====	----- (43,666) =====

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

**THE AUSTRALIAN PRICIPALS FEDERATION
FEDERAL OFFICE**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013**

	NOTE	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from capitation fees – Victorian Branch		4,848	-
Receipts from capitation fees – WA Branch		7,582	-
Interest received		133	216
Payments to suppliers		(62,214)	(21,923)
		-----	-----
Net cash provided by (used in) operating activities	6	(49,651)	(21,707)
		-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:			
Loan from Victorian Branch		48,390	-
		-----	-----
Net cash provided by (used in) financing activities		48,390	-
		-----	-----
Net increase (decrease) in cash held		(1,261)	(21,707)
Cash at the beginning of the financial year	5	2,085	23,792
		-----	-----
Cash at the end of the financial year		824	2,085
		=====	=====

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

**THE AUSTRALIAN PRICIPALS FEDERATION
FEDERAL OFFICE**

**RECOVERY OF WAGES ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2013**

	2013	2012
	\$	\$
Cash assets in respect of recovered money at beginning of year	-	-
Receipts		
Nil	-	-
Payments		
Nil	-	-
	-----	-----
Cash assets in respect of recovered money at end of year	-	-
	=====	=====
 Number of workers to which the monies recovered relates	 -	 -
 Aggregate payables to workers attributable to recovered monies but not yet distributed		
Payable balance	-	-
Number of workers the payable relates to	-	-

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

**THE AUSTRALIAN PRINCIPALS FEDERATION
FEDERAL OFFICE**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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 Australian Principals Federation Federal Office 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 at measured 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.

(b) Comparative Amounts

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

(c) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from capitation fees is accounted for on an accrual basis and is recorded in the year to which it relates.

**THE AUSTRALIAN PRINCIPALS FEDERATION
FEDERAL OFFICE**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Income Tax

The Australian Principals Federation Federal Office 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 cash flow statement 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.

(e) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicated that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(f) 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.

(g) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

**THE AUSTRALIAN PRINCIPALS FEDERATION
FEDERAL OFFICE**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Creditors and Borrowings

These amounts represent liabilities for goods and services provided to the Federation prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(i) 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.

(j) 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.

(k) Future Australian Accounting Standard Requirements

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2013 reporting periods. The Federation has assessed the impact of these new standards and interpretations and is not expecting a significant impact on the financial statements.

2. EVENTS AFTER THE REPORTING PERIOD

There were no events that occurred after 30 June 2013, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of The Australian Principals Federation Federal Office.

**THE AUSTRALIAN PRINCIPALS FEDERATION
FEDERAL OFFICE**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

3.	INCOME	2013	2012
		\$	\$
	Capitation Fees		
	Victorian Branch	4,296	4,797
	Western Australian Branch	2,819	4,331
		-----	-----
		7,115	9,128
		=====	=====
4.	EXPENSES		
	Operating profit (loss) includes the following specific expenses:		
	Legal Costs		
	Litigation	-	-
	Other legal matters	5,000	96,567
		-----	-----
		5,000	96,567
		=====	=====
5.	CASH		
	Cheque Account	824	2,085
		=====	=====
6.	CASH FLOW INFORMATION		
	Reconciliation of Net Cash Provided by Operating Activities with Net Income:		
	Net Income/(loss)	(3,185)	(53,772)
	Changes in assets and liabilities:		
	Decrease/(increase) in receivables	5,315	(10,041)
	Increase/(decrease) in creditors	(56,470)	60,242
	Increase/(decrease) in accrued expenses	-	(12,000)
	Increase/(decrease) in GST liabilities	4,689	(6,136)
		-----	-----
	Net Cash provided by (used in) operating activities	(49,651)	(21,707)
		=====	=====

**THE AUSTRALIAN PRINCIPALS FEDERATION
FEDERAL OFFICE**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

7. VICTORIAN BRANCH

The Australian Principals Federation Victorian Branch has agreed to provide The Australian Principals Federation Federal Branch with financial support to ensure they can continue on a going concern basis. The Federal Branch has accumulated losses totalling \$46,851 which has been recognised as a liability to the Victorian Branch as they have made a commitment to support the Federal Branch. The Federal Branch also borrowed \$48,390 from the Victorian Branch to cover its debts within the creditor's terms. This agreed financial support will continue for as long as necessary. This is an interest free agreement with repayments being made by way of capitation fees each year.

8. REMUNERATION OF AUDITORS	2013	2012
	\$	\$

During the year the following fees were paid or payable for services provided by the auditor of the entity:

Audit services

Mark Costigan & Associates

Audit and review of financial reports and other audit work

1,100	1,000
=====	=====

9. RELATED PARTY TRANSACTIONS

There are no transactions between the Federation and committee members for the supply of goods or services other than in the normal relationship between the Federation and a member. Transactions between the Federation and committee members are on the same terms and conditions available to all other members.

10. GOING CONCERN

The Statement of Financial Position shows accumulated losses totalling \$46,851. The Federal Branch is relying on a loan from the Victorian Branch to cover its debts within the creditor's terms. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Federation's ability to continue as a going concern.

**THE AUSTRALIAN PRINCIPALS FEDERATION
FEDERAL OFFICE**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

11. 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 read as follows:

Information to be provided to members or the General Manager of Fair Work Australia:

- (a) A member of a reporting unit, or the General Manager of Fair Work Australia, 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.
- (b) 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.
- (c) A reporting unit must comply with an application made under subsection (1).

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE AUSTRALIAN PRINCIPALS FEDERATION
FEDERAL OFFICE**

We have audited the financial report of the Australian Principals Federation Federal Office for the year ended 30 June 2013. The financial report includes the financial statements of the Federation and the Committee of Management Statement.

Committee Members' Responsibility for the Financial Report

The committee of the Australian Principals Federation Federal Office are responsible for the preparation of the financial report, and has determined that the basis of preparation described in Note 1, is appropriate to meet the requirements of the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009 and is appropriate to meet the needs of the members. The committees' responsibility also includes such internal control as the committee determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Federation's preparation of the financial report that gives a true and fair view, 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 Federation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee members', as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Fair Work (Registered Organisations) Act 2009.

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material aspects, the financial position of the Australian Principals Federation Federal Office as at 30 June 2013, and its financial performance and its cash flows for the year then ended in accordance with:

- (a) the Australian Accounting Standards; and
- (b) The requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist The Australian Principals Federation Federal Office to meet the requirements of the Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009. As a result, the financial report may not be suitable for another purpose.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to Note 10 in the financial report which outlines there is significant uncertainty whether the entity will continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The note indicates that the Federation has accumulated losses totalling \$46,851. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Federation's ability to continue as a going concern.

MARK COSTIGAN & ASSOCIATES **Chartered Accountants**



Mark A. Costigan
Registered Company Auditor
Member of the Institute of Chartered Accountants in Australia holding a current Public Practice Certificate

Lilydale Victoria
18 October 2013