



FAIR WORK  
COMMISSION

22 January 2015

Ms Angela Stefani  
Executive Officer  
Australian Principals' Federation

sent to: [astefani@apf.net.au](mailto:astefani@apf.net.au)

Dear Ms Stefani,

**Re: Lodgement of Financial Statements and Accounts - Australian Principals' Federation, Federal Office - for year ended 30 June 2014 (FR2014/293)**

I acknowledge receipt of the amended financial report of the Federal Office of the Australian Principals' Federation. The documents comprising the report were lodged with the Fair Work Commission on 19 January 2015, and again today. The amended financial report addresses matters identified in previous correspondence and has been filed.

The initial financial report was subject to 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 2015 may be subject to an advanced compliance review.

Should you require further information on the financial reporting requirements of the Act, I may be contacted on (02) 6723 7237 or (02) 6746 3283 or 0429 462 979 or by email at [stephen.kellett@fwc.gov.au](mailto:stephen.kellett@fwc.gov.au)

Yours sincerely

Stephen Kellett  
Senior Adviser, Regulatory Compliance Branch

cc. Ms Danielle Ewart, Auditor



**APF**

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**Australian Principals Federation**  
ABN: 57 322 696 251

**Certificate for the period ended 30<sup>th</sup> June 2014 - Vic Branch  
s.268 Fair Work (Registered Organisations) Act 2009 – Amended Reports**

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

- that the documents lodged herewith are copies of the full report as amended for the Australian Principals Federation Victorian Branch for the period ended 30<sup>th</sup> June 2014 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report as amended was provided to members of the reporting unit on 1<sup>st</sup> January 2015 and
- that the full report as amended was presented to the *Committee of Management* of the reporting unit on 19<sup>th</sup> December 2014 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Chris Cotching  
President

Date: 15<sup>th</sup> January 2015



**THE AUSTRALIAN PRINCIPALS FEDERATION  
FEDERAL OFFICE**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

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**THE AUSTRALIAN PRINCIPALS FEDERATION  
FEDERAL OFFICE**

**OPERATING REPORT FOR THE FINANCIAL YEAR 2014**

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

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 Federal Office is also responsible for highlighting Principal Class Employee issues on the national stage and advocating a national position. This is a difficult role given that APF Federal Branch officially represents 2 states with the remaining states and territories having no independent voice. Work has now started to incorporate other states and territories, formally and informally, in developing a truly independent and national voice for Principal Class Employees.

Consistent with the rules of the organisations a new committee of management was elected in 2013 and commence duties as of the 1st January 2014. The election was conducted by the Australian Electoral Commission.

**Significant changes in financial affairs**

In 2013 the Federal Council approved a 2014 increase in the per capita contribution from branches to the Federal Office from \$6.50 to \$10.00. This increase was designed to provide a working fund to develop the APF presence on the national stage.

As required by regulation all officers that are concerned with financial decision making of the branch and have received accredited training by the Australian Institute of Company Directors within 6 months of taking up their appointment.

**Related parties**

The APF does not have any relationships with any other organisation.

**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.

**Officers and employees who are directors of a company or member of a board**

The APF Federal Office has no officers or employees who are directors of a company or member of a board.

# THE AUSTRALIAN PRINCIPALS FEDERATION

## FEDERAL OFFICE

### OPERATING REPORT FOR THE FINANCIAL YEAR 2014

#### Number of Members

The number of financial members of the APF Federal Office as at 30 June 2014 was 1,199.

#### Number of Employees

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

#### Committee of Management (APF Federal Council)

For the entirety of the financial year, 1 July 2013 to 30 June 2014, the individuals listed below held office of the Australian Principals Federation – Federal Office. AEC Elections for all Primary and Secondary Sector Victorian Representatives were declared on 29 October 2013. (Table 1). AEC Elections for all Primary and Secondary Sector WA Representatives were declared on 1 October 2013. (Table 2). All committee of management members have as their constituency the state of Western Australia or Victoria as per APF rules.

Table 1

First Name	Last 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

Table 2

First Name	Last Name	Sector	Constituency
Ron	Bamford	Secondary	Statewide Western Australian
Chris	Cotching	Primary	Statewide Victorian
David	Finnerty	Secondary	Statewide Victorian
Peter	Kearney	Primary	Statewide Victorian
Rod	Kendall	Secondary	Statewide Victorian
Bevan	Ripp	Primary	Statewide Western Australian
Noel	Strickland	Primary	Statewide Western Australian



Ron Bamford  
President  
19 December 2014

**THE AUSTRALIAN PRICIPALS FEDERATION  
FEDERAL OFFICE**

**COMMITTEE OF MANAGEMENT STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2014**

On 19 December 2014 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 2014.

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.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period.

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



Ron Bamford  
President  
19 December 2014



**THE AUSTRALIAN PRINCIPALS FEDERATION  
FEDERAL OFFICE**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2014**

	NOTE	2014 \$	2013 \$
<b>INCOME</b>			
Subscriptions		-	-
Capitation Fees	3	11,375	7,115
Levies		-	-
Interest		18	133
Grants or Donations		-	-
Other Revenue		-	-
		----- 11,393	----- 7,248
<b>LESS EXPENDITURE</b>			
Employee Expenses		-	-
Capitation Fees		-	-
Affiliation Fees		-	-
Administration Expenses		-	-
Grants or Donations		-	-
Depreciation		-	-
Legal Costs	4	990	5,000
Audit Fees		1,100	1,100
Bad Debts		-	4,333
Meeting Expenses		-	-
Fees and Allowances		-	-
Penalties under the RO Act		-	-
		----- 2,090	----- 10,433
Other Comprehensive Income			
Legal fees paid by the Victorian Branch		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		----- 9,303	----- (3,185)

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 2014**

	NOTE	2014 \$	2013 \$
CURRENT ASSETS			
Cash	5	6,489	824
Receivables		-	4,726
		-----	-----
<b>TOTAL CURRENT ASSETS</b>		<b>6,489</b>	<b>5,550</b>
		-----	-----
<b>TOTAL ASSETS</b>		<b>6,489</b>	<b>5,550</b>
		-----	-----
CURRENT LIABILITIES			
Creditors		-	5,500
Employee Benefits		-	-
GST Liabilities		373	(1,489)
		-----	-----
<b>TOTAL CURRENT LIABILITIES</b>		<b>373</b>	<b>4,011</b>
		-----	-----
NON-CURRENT LIABILITIES			
Employee Benefits		-	-
Loan from APF Victorian Branch		43,664	48,390
		-----	-----
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>43,664</b>	<b>48,390</b>
		-----	-----
<b>TOTAL LIABILITIES</b>		<b>44,037</b>	<b>52,401</b>
		-----	-----
<b>NET ASSETS</b>		<b>(37,548)</b>	<b>(46,851)</b>
		=====	=====
MEMBERS' EQUITY			
Retained Profits/(Accumulated Losses)		(37,548)	(46,851)
		=====	=====

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 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Balance as at 1 July 2013	(46,851)	(43,666)
Profit (Loss) for the year	9,303	(3,185)
Voluntary contributions	-	-
Transfers	-	-
Balance as at 30 June 2014	<u>(37,548)</u>	<u>(46,851)</u>

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 2014**

	NOTE	2014 \$	2013 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from capitation fees – Victorian Branch		12,374	4,848
Receipts from capitation fees – WA Branch		3,727	7,582
Interest received		18	133
Payments to suppliers		(10,454)	(62,214)
Net cash provided by (used in) operating activities	6	5,665	(49,651)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Loan from Victorian Branch		-	48,390
Net cash provided by (used in) financing activities		-	48,390
<b>Net increase (decrease) in cash held</b>		5,665	(1,261)
Cash at the beginning of the financial year		824	2,085
<b>Cash at the end of the financial year</b>	5	6,489	824

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 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Cash assets in respect of recovered money at beginning of year</b>	-	-
<b>Receipts</b>		
Nil	-	-
<b>Payments</b>		
Nil	-	-
	-----	-----
<b>Cash assets in respect of recovered money at end of year</b>	-	-
	=====	=====
Number of workers to which the monies recovered relates	-	-
<b>Aggregate payables to workers attributable to recovered monies but not yet distributed</b>		
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 2014**

**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 2014**

**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 2014**

**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 2014 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 2014, 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 2014**

<b>3. INCOME</b>	<b>2014</b>	<b>2013</b>
	\$	\$
<b>Capitation Fees</b>		
Victorian Branch	7,648	4,296
Western Australian Branch	3,727	2,819
	-----	-----
	11,375	7,115
	=====	=====
 <b>4. EXPENSES</b>		
Operating profit (loss) includes the following specific expenses:		
<b>Legal Costs</b>		
Litigation	-	-
Other legal matters	990	5,000
	-----	-----
	990	5,000
	=====	=====
 <b>5. CASH</b>		
Cheque Account	6,489	824
	=====	=====
 <b>6. CASH FLOW INFORMATION</b>		
Reconciliation of Net Cash Provided by Operating Activities with Net Income:		
Net Income/(loss)	9,303	(3,185)
Changes in assets and liabilities:		
Decrease/(increase) in receivables	4,726	5,315
Increase/(decrease) in creditors	(5,500)	(56,470)
Increase/(decrease) in GST liabilities	1,862	4,689
Increase/(decrease) in loan from APF Victoria	(4,726)	-
	-----	-----
Net Cash provided by (used in) operating activities	5,665	(49,651)
	=====	=====

**THE AUSTRALIAN PRINCIPALS FEDERATION  
FEDERAL OFFICE**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

<b>7. REMUNERATION OF AUDITORS</b>	<b>2014</b>	<b>2013</b>
	\$	\$
<p>During the year the following fees were paid for services provided by the auditor of the entity:</p>		
<i>Audit services</i>		
Mark Costigan & Associates		
Audit and review of financial reports and other audit work	1,100	1,100
	<u>          </u>	<u>          </u>

**8. FINANCIAL SUPPORT**

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 \$37,548 (2013:\$46,851) which has been recognised as a liability to the Victorian Branch as they have made a commitment to support the Federal Branch. In 2013, 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.

**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 \$37,548. 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.

Apart from any other income disclosed, the Federal Office does not receive any other kind of financial support from another reporting unit.

**THE AUSTRALIAN PRINCIPALS FEDERATION  
FEDERAL OFFICE**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**11. ACQUISITION OF ASSETS AND LIABILITIES**

No asset or liability has been acquired throughout the year as a result of:

- (a) an amalgamation under Part 2 of Chapter 3, of the RO Act
- (b) a restructure of the branches of the organization
- (c) a determination by the General Manager under subsection 245(1) of the RO Act of an alternative reporting structure
- (d) a revocation by the General Manager under subsection 249(1) of the RO Act of a certificate issued to an organisation under subsection 245(1).

**12. ADDITIONAL DISCLOSURES**

There are been none of the following throughout the year or at year end:

- Expenses incurred as consideration for employers making payroll deductions of membership subscriptions
- Compulsory levies
- Payables incurred as consideration for employers making payroll deductions of membership subscriptions
- Legal costs payable
- No other fund required by the rules

**13. ADMINISTRATION OF FINANCIAL AFFAIRS**

Name of entity providing service: The Australian Principals Federation Victorian Branch

Terms and conditions: Employees of the above entity undertake administration tasks free of charge.

**14. 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).

**THE AUSTRALIAN PRINCIPALS FEDERATION  
FEDERAL BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**15. FINANCIAL INSTRUMENTS**

(a) Interest Rate Risk

The Federation's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted interest rates on those financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate Within 1 Year		No interest 1 to 5 years		Floating Interest Rate		Fixed Interest Rate Maturing				Total	
	2014	2013	2014	2013	2014	2013	Within 1 year		1 to 5 years		2014	2013
	%	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial Assets</b>												
Cash at Bank	1.0	1.0	-	-	6,489	824	-	-	-	-	6,489	824
Receivables			-	4,726	-	-	-	-	-	-	-	4,726
<b>Total</b>			-	4,726	6,489	824	-	-	-	-	6,489	5,550
<b>Financial Liabilities</b>												
Creditors			-	5,500	-	-	-	-	-	-	-	5,500
GST Liabilities			373	(1,489)	-	-	-	-	-	-	373	(1,489)
Loan	0.0	0.0	43,664	48,390	-	-	-	-	-	-	43,664	48,390
			44,037	52,401	-	-	-	-	-	-	44,037	52,401

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

The Federation does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Federation.

(c) Net Fair Values

Net fair value approximates the carrying value of assets and liabilities.

**THE AUSTRALIAN PRINCIPALS FEDERATION  
FEDERAL OFFICE**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

<b>15. FINANCIAL INSTRUMENTS (Cont.)</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Net income and expenses from financial assets</b>		
Interest revenue	18	133
	-----	-----
	18	133
	=====	=====
<b>Net income and expenses from financial liabilities</b>		
No items to disclose.		



## 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 2014. The financial report includes the statement of comprehensive income, statement of financial position, statement of changes in equity, cash flow statement, recovery of wages activity, notes to and forming part of the financial statements 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 and fair presentation of the financial report in appropriate to meet the requirements of the Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009 and for such internal control as the committee determine are 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 applicable independence requirements of the Accounting Professional and Ethical Standards Board.

## Auditor's Opinion

In our opinion,

- (a) the financial report presents fairly, in all material aspects, the financial position of the Australian Principals Federation Federal Office as at 30 June 2014, and its financial performance and its cash flows for the year then ended in accordance with:
  - i. the Australian Accounting Standards: and
  - ii. the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) act 2009.
- (b) committee's use of the going concern basis of accounting in the preparation of the financial report is appropriate.

## 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 \$37,548. 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.



Signed by Danielle Ewart

For and on behalf of Complete Audit Pty Ltd

Complete Audit Pty Ltd is an Authorised Audit Company

Member of the Institute of Chartered Accountants in Australia holding a current Public Practice Certificate

Complete Audit Pty Ltd  
A.B.N. 94 158 992 744  
Registered Audit Company 423442  
Liability limited by a scheme  
approved under Professional  
Standards Legislation

Lilydale Victoria  
19 December 2014

Director: Danielle Ewart B.Bus CA  
Registered Company Auditor  
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FAIR WORK  
COMMISSION

3 December 2014

Ms Angela Stefani  
Executive Officer  
Australian Principals' Federation

sent to: [astefani@apf.net.au](mailto:astefani@apf.net.au)

Dear Ms Stefani,

**Re: Lodgement of Financial Statements and Accounts - Australian Principals' Federation, Federal Office - for year ended 30 June 2014 (FR2014/293)**

I acknowledge receipt of the financial report of the Federal Office ['the reporting unit'] of the Australian Principals' Federation. The documents comprising the report were lodged with the Fair Work Commission on 21 November 2014.

The financial report has not been filed. I have examined the financial report and identified a number of matters, the details of which are set out below, that you are required to address before the report can be filed.

Non compliance with previous request

While we filed last year's financial report, we raised the following issue for the reporting unit to address in the preparation of future financial reports. I notice that the same error appeared in the current report, namely the requirement to disclose that there were no employee benefits provisions made, for either office-holders or employers (other than office-holders) in accordance with Reporting Guideline 21, in relation to the item at Reporting Guideline 20(c) and 20(d).

The Fair Work Commission aims to assist reporting units in complying with their obligations under the RO Act and Reporting Guidelines, by providing advice about the errors identified in financial reports. Failure to address these issues may lead to the General Manager exercising her powers under section 330 of the RO Act.

Other issues

In our discussion today, it was agreed that any amendment to the report should incorporate any additional amendments required to comply with reporting requirements that were not reflected in the report. I set these out as follows:

Activities under Reporting Guideline not disclosed

Paragraphs 13, 15, 17, 21, and 23 of the Reporting Guidelines state that if the activities identified in the preceding guidelines have not occurred in the reporting period, a statement to this effect (or a nil balance) must be included in the notes to the GPFR. I note that for the following no such disclosure has been made:

- RG11 going concern financial support provided to another reporting unit



- RG12 acquisition of asset or liability due to an amalgamation under Part 2 of Chapter 3, a restructure of the branches of an organisation, a s245 determination or s249 revocation by the General Manager
- RG16(a) fees incurred as consideration for employers making payroll deductions of membership subscriptions
- RG16(d) compulsory levies incurred
- RG16(h) fees or allowances paid to persons to attend a conferences or other meeting as a representative of the reporting unit
- RG16(i) expenses incurred with holding meeting of members or any conferences or meeting of councils, committees, panels or other bodies
- RG16(k) penalties imposed under the RO Act.
- RG20(a) payables to employers as consideration for the employers making payroll deductions of membership subscriptions
- RG20(b) payables in respect of legal costs and other expenses related to litigation or other legal matters
- RG20(c) payables (provisions) in respect of employee benefits for office-holders
- RG20(c) payables (provisions) in respect of employee benefits for employees other than office-holders
- RG22(a) name and balance of each fund or account in respect to compulsory levies or voluntary contributions
- RG22(d) details of any transfer or withdrawals to a specific purpose fund, account or controlled entity

#### Financial instruments disclosures

Australian Accounting Standard *AASB 7 Financial Instruments: Disclosures* details reporting disclosures required by an entity in relation to financial instruments. Relevant information does not appear to have been included in the report and this standard should be considered as to whether further information<sup>1</sup> should be included in the notes to the amended report.

#### Auditor's Statement

The Auditor's statement will require the following amendments:

Paragraph 23(c) of Australian Auditing Standard (ASA) 700 requires that the introductory paragraph of the Auditor's report shall "identify the title of each statement that comprises the financial report". This information was not included in full.

Paragraph 38(a)(i) of the Reporting Guidelines requires that in the Auditor's Statement, the auditor must declare they are either an approved auditor or the auditor is a member of a firm where at least one member is an approved auditor.

Paragraph 39 of the Reporting Guidelines requires that the Auditor's Statement include a declaration, that as part of the audit of the financial statements, they have concluded that management's use of the going concern basis of accounting in the preparation of the financial statement is appropriate.<sup>2</sup>

These declarations were not included in the Auditor's statement. The Auditor's Statement will need to be amended to include the abovementioned omissions.

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<sup>1</sup> compare with Notes 15 and 16 as set out in the Model Financial statements 2013-2014 at <https://www.fwc.gov.au/registered-organisations/compliance-governance/financial-reporting>

<sup>2</sup> This declaration is a comment on the appropriateness of the accounting basis and is therefore distinct from comments about future viability. It is therefore required in addition to and irrespective of the comment by the auditor in relation to a material uncertainty about the reporting unit's ability to operate as a going concern.

### Action

The reporting unit should re-pass the amended GPFR, make a fresh Committee of Management Statement and submit the report for audit. The amended report should be provided to members after the revised audit report is made. The amended report is to be presented to a Committee of Management meeting<sup>3</sup> and lodged with FWC with a fresh Designated Officer's certificate within 14 days of that meeting.

### Conclusion

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (02) 6723 7237 or (02) 6746 3283 or 0429 462 979 or by email at [stephen.kellett@fwc.gov.au](mailto:stephen.kellett@fwc.gov.au)

Yours sincerely

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Stephen Kellett  
Senior Adviser, Regulatory Compliance Branch

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<sup>3</sup>.for the purposes of section 266 of the RO Act, the report may be presented to the same meeting of the Committee of Management that has passed the amended report.