



Australian Government
Registered Organisations Commission

12 December 2017

Ms Julie Podbury
President
Australian Principals Federation, Victorian Branch

By e-mail: apf@apf.net.au

Dear Ms Podbury

Australian Principals Federation, Victorian Branch
Financial Report for the year ended 30 June 2017 - FR2017/128

I acknowledge receipt of the financial report for the year ended 30 June 2017 for the Australian Principals Federation, Victorian Branch (APF-V). The financial report was lodged with the Registered Organisations Commission on 27 November 2017.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

Whilst the 2017 report has been filed the following should be addressed in the preparation of the next financial report.

1. General Purpose Financial Report (GPFR)

Disclosure of payables in respect of legal costs

Reporting Guideline 20(b) requires a payable in relation to legal costs to be disclosed by litigation and by other legal matters. Reporting Guideline 21 states that if the activities identified in item 20 have not occurred in the reporting period, a statement of this effect must be included in the GPFR. I note that for litigation and other legal matters no such disclosure has been made.

This issue has been raised with the reporting unit for the past two years. Please ensure in future years that the appropriate disclosure is made.

Accounting judgments and estimates

Australian Accounting Standard *AASB 101 Presentation of Financial Statements* paragraph 122 requires that the notes to the financial statements include a discussion on the significant accounting judgments and estimates applied.

No such discussion has been included in the Notes.

Leases

Note 16 to the APF-V GPFR discloses lease commitments but does not include all the disclosures required by Australian Accounting Standard *AASB 117 Leases* paragraph 35 including a general description of the leasing arrangements.

Disclosure of audit fees

Australian Accounting Standard *AASB 1054 Australian Additional Disclosures* paragraph 10 requires the financial statements to separately disclose amounts paid to the auditor for the audit or review of the financial statements and for all other services performed.

Note 13 to the GPFR discloses audit services but does not break down this expenditure as described above. It should be noted that if any of the audit fee relates to other services performed, then a description of the nature of the other services must be provided (refer to *AASB 1054* paragraph 11).

Property, plant and equipment reconciliation

Australian Accounting Standard *AASB 116 Property, Plant and Equipment* paragraph 73(e) requires a reconciliation of the carry amount at the beginning and end of the period for each class of property, plant and equipment.

While Note 7 provides the opening and closing balance of 'Office Furniture & Equipment' information relating to additions/disposals/revaluation/other changes has not been provided.

Notes to the Cash Flow Statement

Reporting Guideline 24 states:

Where another reporting unit and/or controlled entity of the organisation is the source of a cash inflow or the application of a cash outflow, such cash flow should be separately disclosed in the notes to the financial statements and show the name of the other reporting unit and/or controlled entity concerned.

No such disclosure has been included in the Notes.

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 (03) 9603 0707 or by email at ken.morgan@roc.gov.au

Yours faithfully



KEN MORGAN
Financial Reporting Advisor
Registered Organisations Commission



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**Certificate for the period ended 30th June 2017– Australian Principals Federation
Victorian Branch
s.268 Fair Work (Registered Organisations) Act 2009**

I, Julie Podbury, being the President of the Australian Principals Federation Victorian Branch 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 2016 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 11th September 2017 and
- that the full report was presented to the *Committee of Management* of the reporting unit on 22nd November 2017 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Julie Podbury
President – Victorian Branch
Date: 25th November 2017

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

CONTENTS

	Page
Operating Report	3
Committee of Management Statement	8
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Notes to and Forming Part of the Financial Statements	13
Independent Audit Report	24

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

OPERATING REPORT FOR THE FINANCIAL YEAR 2017

Principal Activities

The core business of the Australian Principals Federation remains and with a minor strategic shift continues as it has in previous periods.

The growing intensity and demands placed upon the organisation, to respond to member's issues both collectively and individually, continues to be the prime focus of the work we do. The main functions of the APF include providing effective advice and support to Principal Class Employees as well as representing and advocating for them with the employer, in relation to matters such as classification, range and salary, contractual issues, including matters of tenure and renewal processes, retirement and resignation, Work Cover, support in mediation processes, conflict resolutions, conflict of interest, complaints advice and resolution, disciplinary action, performance management and countless related issues.

In the current reporting period there has been a continuation in matters of conflict particularly in relation to and in respect of the school community. This often involves Principal Class Employees being subject to the complaints processes of the employer, brought about largely by difficulties with the management of school councils, parents or staff. Often there is a lack of willingness by the employer to step in to protect or buffer the employee from vexatious and vindictive parents, and/or staff which then becomes the role of the APF. Often a mismatch between the expectations of community members and the capacity of the school and invariably the Principal to meet and manage those expectations is the key cause of the complaints.

The work of the APF in relation to member support has two clear dimensions. Firstly, matters directly involved with employment of Principal Class Employees such as contracts of employment and their renewal, classification and range, performance management, payroll and entitlements, form a significant proportion of the support, advice and advocacy provided. Secondly, relates to the responsibilities and accountabilities of a Principal Class Employee enshrined by Schedule B of their contract of employment; the relevant legislative obligations and Ministerial Orders provided, together with an ever burgeoning scope of policy obligations and processes. It is the view of the APF that the escalation in changes at the second dimension account significantly to the enormous work load increase for Principal Class Employees and also has resulted in a substantially changed work value, more reflective of their ever evolving role and function. Increasingly, the APF has been required to provide support and advocate for the actions of the Principal Class when confronted either directly or vicariously at such bodies as the Victorian Civil Appeals Tribunal, the Merit Protection Board, the Accident Compensation Conciliation Service and at other forums, including the Victorian Equal Opportunity and Human Rights Commission and Fair Work Australia. More recently significant and substantial support has been provided to Principal Class Employees in preparation for mediation processes with colleagues or staff in schools.

The APF has engaged in a highly strategic process in its negotiations with the Victorian Department of Education of Training for the Victorian Government Schools Agreement 2017, on behalf of members of the APF.

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

OPERATING REPORT FOR THE FINANCIAL YEAR 2017

Principal Activities (continued)

The Enterprise Bargaining team lead by Mr David Finnerty, the team comprises, Julie Podbury, Steve Durkin, Loretta Piazza and Angela Stefani. Initially Meredith Walker was part of the team, but increased work demands dictated she resign from the team. This process commenced on 8th April 2016 when the APF served a comprehensive log of claims on the Department of Education and Training (DET) with a focus upon achieving a separate Principal Class Agreement. The process concluded on 23rd March, 2017 when agreement was reach with all parties involved in negotiations. The Principal Class was recognised in this agreement with a salary increase that was markedly better than the one granted to teacher and support staff. It also allowed for recognition of the increased work value by adjusting applicable salary budget barriers substantially downwards, which will impact on approximately 400 members whose jobs will be categorised into a higher salary bracket.

Throughout the reporting period the APF continues to evolve and develop through its structures and organisation. This includes meetings of State Council, the Executive and regular and comprehensive meetings at venues throughout metropolitan Melbourne and regional, rural and remote Victoria. Membership support is provided directly and face to face throughout school and work locations across Victoria. Direct and regular contact with members occurs through phone and email contact and via a detailed and comprehensive newsletter each fortnight. Additionally, the APF website has been completely updated and renewed.

The APF continues to liaise, communicate and influence a range of outcomes for Principal Class Employees in relation to a myriad of matters arising from their roles and accountabilities. This involves regular meetings with the Minister for Education, the Secretary and Deputy Secretaries and Executive Directors together with Regional Directors as the line managers of Principals.

Significant changes in financial and operational affairs

There were five changes in the reporting period.

The new Government undertook a series of consultations across the reporting period in order to address key concerns raised by Principals and other stakeholder groups in the period of office of the former Government. The Australian Principals Federation was considered as a significant stakeholder in each of these consultations and as such were offered an opportunity for private consultation for most of these, not simply the group consult with all stakeholders present.

These included:

- The implementation of Child Safe Standards following on from the Royal Commission into Child Sexual Abuse
- Initial Teacher Education reforms
- Conflict of Interest guidelines and policies
- Travel guidelines and policies

Each of these reviews was finalised and implementation was begun, which in many cases impacted heavily on the work of the Principal Class in schools, causing considerable negotiations to ameliorate the impact of the changes on the working conditions of members.

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

OPERATING REPORT FOR THE FINANCIAL YEAR 2017

Significant changes in financial and operational affairs (continued)

Secondly, in order to embrace preventative or early intervention on matters that impact on our members, the APF joined forces with Parents Victoria to produce a substantial resource called Lets Work Together which brings together best practice and advice for schools and parents. Edited by Eileen Berry and largely funded by Cyberhound, it was an important investment of time and resources by the APF in an attempt to prevent some of the parent/school matters reaching the dramatic and damaging proportions that they do in schools. This was very well received in schools and by the DET.

Third, we began a series of Professional Development activities to support members in the areas that cause us most concern. We offered Professional Development in the areas of Health and Wellbeing as well as in Effective Leadership. We continue to offer these in line with our commitment to members. An evaluation can be expected in the next reporting period.

Forth, we established a Panel of retired Principals, Regional Directors and Assistant Regional Directors who will be available to support, coach or mentor school principals to maximise their capacity or support them through difficulties. While there is no financial benefit to the organisation, it is an impost in terms of time and resources required to manage it. This program is in its infancy and an evaluation will be made for the next reporting period.

Lastly, from August 2016 the APF engaged the services of Mr John Handley an experienced Principal, to join with Mr Mark Arkinstall to provide Industrial and consultative support to our ever-growing member demands. These are all part time roles which has been highly beneficial and effective in supporting members in a timely manner. We look forward to expanding this role in the next reporting period, with further Industrial Support Officers who will assist in meeting the escalating requests of the organisation.

Related Parties

During the whole reporting period Councillors of the Victorian Principals Association Ian Sloane, Kevin Mackay, Kathy Arnold and Andrew Dalgleish also sat on the APF State Branch Council.

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

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

OPERATING REPORT FOR THE FINANCIAL YEAR 2017

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

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

Number of Members

The number of financial members of the APF Victorian Branch as at 30 June 2017 was 729 (2016: 769).

Number of Employees

The APF had 2.2 (EFT) employees in the reporting period.

Committee of Management (APF Victorian Branch Council)

For the period of the financial year, 1 July 2016 to 31 December 2016, the individuals listed below (**Table 1**) held office of the Australian Principals Federation - Victorian Branch Council unless otherwise stated. For the period 1 January 2017 to 30 June 2017, the individuals listed below (**Table 2**) held office of the Australian Principals Federation - Victorian Branch Council unless otherwise stated. AEC Elections for all positions were declared on 14 October 2016. A further election was called to fill vacant positions and this was declared on 24 March 2017.

Table 1

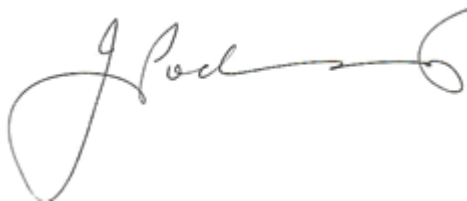
First Name	Last Name	Sector	Constituency
Kathie	Arnold	Primary	South Eastern Vic Region
Andrew	Dalgleish	Primary	South Western Vic Region
Steve	Durkin	Primary	South Western Vic Region
Christopher	Eeles	Secondary	North Western Vic Region
Julie	Hommelhoff	Comprehensive	North Western Vic Region
Rod	Kendall	Secondary	South Western Vic Region
Kevin	Mackay	Primary	South Eastern Vic Region
Mark	Moir	Secondary	South Eastern Vic Region
John	Mooney	Comprehensive	South Eastern Vic Region
Alison	Murphy	Secondary	South Western Vic Region
Loretta	Piazza	Primary	North Western Vic Region
Julie	Podbury	Secondary	South Eastern Vic Region
Philip	Rogers	Secondary	North Eastern Vic Region
Ian	Sloane	Primary	North Eastern Vic Region
Margaret	Staley	Primary	North Eastern Vic Region
Meridith	Walker	Secondary	Statewide Vic Region

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

OPERATING REPORT FOR THE FINANCIAL YEAR 2017

Table 2

First Name	Last Name	Sector	Constituency
Kathie	Arnold	Primary	South Eastern Vic Region
Andrew	Dalgleish	Primary	South Western Vic Region
Steve	Durkin	Primary	South Western Vic Region
Christopher	Eeles	Echuca College	North Western Vic Region
David	Finnerty	Secondary	Statewide
Henryk	Grossek	Primary (declared 24 March 2017)	Statewide
Julie	Hommelhoff	Primary (declared 24 March 2017)	North Western Vic Region
Rod	Kendall	Secondary	South Western Vic Region
Kevin	Mackay	Primary	South Eastern Vic Region
Mark	Moir	Secondary	South Eastern Vic Region
John	Mooney	Comprehensive	South Eastern Vic Region
Loretta	Piazza	Primary	North Western Vic Region
Julie	Podbury	Secondary	South Eastern Vic Region
Philip	Rogers	Secondary (declared 24 March 2017)	North Eastern Vic Region
Ian	Sloane	Primary	North Eastern Vic Region
Meridith	Walker	Secondary	South Western Vic Region



Julie Podbury
President
25 August 2017

**THE AUSTRALIAN PRICIPALS FEDERATION
VICTORIAN BRANCH**

**COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017**

On 25 August 2017 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 2017.

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 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;
- (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 Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
 - (vi) where any order of inspection of financial records has been made by the registered Organisation 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.



Julie Podbury
President
25 August 2017

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017**

	NOTE	2017 \$	2016 \$
INCOME			
Subscriptions		459,300	477,585
Capitation Fees		-	-
Levies		-	-
Interest		2,976	2,084
Grants or Donations	3	-	-
Other Revenue	3	19,100	12,473
		-----	-----
		481,376	492,142
		-----	-----
LESS EXPENDITURE			
Employee Expenses	4	340,274	271,213
Capitation Fees	4	6,955	7,123
Affiliation Fees		-	-
Occupancy Expenses		63,026	59,295
Office Expenses		7,109	5,431
Grants or Donations		-	-
Depreciation	4	8,536	10,774
Finance Expenses		7,716	7,174
Legal Costs	4	425	5,680
Audit Fees		5,000	5,000
Motor Vehicle Expenses		3,970	4,929
Consultancies		11,325	45,824
Meeting Expenses		15,293	14,930
Training		-	285
Loss on disposal of assets		-	-
Fees and Allowances		-	-
Penalties under the RO Act		-	-
		-----	-----
		469,629	437,658
		-----	-----
Other Comprehensive Income			
Other Comprehensive Income for the Year		-	-
		-----	-----
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		11,747	64,936
		=====	=====

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

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017**

	NOTE	2017 \$	2016 \$
CURRENT ASSETS			
Cash	5	152,814	135,343
Receivables	6	550	1,111
Rental bond		3,835	3,835
Prepaid rent		2,200	2,200
Prepaid expenses		9,982	9,029
		-----	-----
TOTAL CURRENT ASSETS		169,381	151,518
		-----	-----
NON-CURRENT ASSETS			
Plant & Equipment	7	20,244	26,014
Loan to Federal Branch	12	17,715	25,365
		-----	-----
TOTAL NON-CURRENT ASSETS		37,959	51,379
		-----	-----
TOTAL ASSETS		207,340	202,897
		-----	-----
CURRENT LIABILITIES			
Creditors & Borrowings	8	17,920	17,588
Employee Benefits	9	621	(60)
Commitment to Federal Branch	12	8,131	16,631
Income in Advance		-	-
		-----	-----
TOTAL CURRENT LIABILITIES		26,672	34,159
		-----	-----
NON-CURRENT LIABILITIES			
Employee Benefits	9	25,245	28,162
		-----	-----
TOTAL NON-CURRENT LIABILITIES		25,245	28,162
		-----	-----
TOTAL LIABILITIES		51,917	62,321
		-----	-----
NET ASSETS		155,423	140,576
		=====	=====
MEMBERS' EQUITY			
Reserves	10	44,252	41,152
Retained Profits/(Accumulated Losses)		111,171	99,424
		-----	-----
TOTAL MEMBERS' EQUITY		155,423	140,576
		=====	=====

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

**THE AUSTRALIAN PRICIPALS FEDERATION
VICTORIAN BRANCH**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017**

2017	Retained Profits	Reserves	Total
	\$	\$	\$
Beginning of the financial year	99,424	41,152	140,576
Movement for the year	11,747	3,100	14,847
Voluntary contributions	-	-	
Transfers	-	-	
	-----	-----	-----
End of the financial year	111,171	44,252	155,423
	=====	=====	=====
2016	Retained Profits	Reserves	Total
	\$	\$	\$
Beginning of the financial year	44,940	33,516	78,456
Movement for the year	54,484	7,636	62,120
Voluntary contributions	-	-	-
Transfers	-	-	-
	-----	-----	-----
End of the financial year	99,424	41,152	140,576
	=====	=====	=====

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

**THE AUSTRALIAN PRICIPALS FEDERATION
VICTORIAN BRANCH**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017**

	NOTE	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Subscriptions		458,950	477,585
Receipts from Other Revenue		19,100	12,273
Payments to suppliers and employees		(468,439)	(421,775)
Interest received		2,976	1,535
		-----	-----
Net cash provided by (used in) operating activities	11	12,587	69,618
		-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:			
Monies received for fixed assets		-	-
Fixed asset purchases		(2,766)	(5,146)
		-----	-----
Net cash provided by (used in) investing activities		(2,766)	(5,146)
		-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of loan		7,650	7,640
		-----	-----
Net cash provided by (used in) financing activities		7,650	7,640
		-----	-----
Net increase (decrease) in cash held		17,471	72,112
Cash at the beginning of the financial year		135,343	63,231
		-----	-----
Cash at the end of the financial year	5	152,814	135,343
		=====	=====

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

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

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 Victorian 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 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 subscriptions is accounted for on an accrual basis and is recorded in the year to which it relates.

Reimbursement income is recognised on receipt from associations in which business agreements are held. The Foundation receives reimbursements from these associations for office expenses incurred.

Donations and sponsorships income is recognised when it is received.

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

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Income Tax

The Australian Principals Federation Victorian 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 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
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Plant and Equipment

Asset Recognition Threshold

Purchases of 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.

Depreciation

Depreciable plant and equipment assets are written off to their estimated residual values over their estimated useful life using, in all cases, the diminishing value 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:

Office Furniture and Equipment	10 – 25%
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Derecognition

An item of 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 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.

(i) 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. The legal fund amounts represent monies collected from members for legal support and industrial representation.

(j) 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 due within twelve months of the end of the 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.

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Employee Benefits (continued)

Other long-term employee benefits 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.

(k) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits derived from the leased assets.

(l) 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.

(m) 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.

(n) Future Australian Accounting Standard Requirements

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2017 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.

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

2. EVENTS AFTER THE REPORTING PERIOD

There were no events that occurred after 30 June 2017, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of The Australian Principals Federation Victorian Branch.

3. INCOME	2017	2016
	\$	\$
Grants or Donations		
Grants	-	-
Donations	-	-
Sponsorship	-	-
	-----	-----
	-	-
	=====	=====
Other Revenue		
Annual general meeting income	11,009	6,473
Professional development	8,091	6,000
	-----	-----
	19,100	12,473
	=====	=====

4. EXPENSES

Operating profit (loss) includes the following specific expenses:

Employee Expenses

Holder of Office:

Wages and Salaries	181,121	170,274
Superannuation	16,027	15,041
Leave and other entitlements	(374)	1,606
Other employee expenses	2,772	2,843
Separation and redundancies	-	-
	-----	-----
	199,546	189,764

Employees:

Wages and Salaries	130,218	70,814
Superannuation	12,371	6,728
Leave and other entitlements	(1,861)	3,907
Other employee expenses	-	-
Separation and redundancies	-	-
	-----	-----
	140,728	81,449

Total Employee Expenses	340,274	271,213
	=====	=====

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	\$	\$
4. EXPENSES (continued)		
Capitation Fees – Federal Branch	6,955	7,123
Depreciation of plant and equipment	8,536	10,774
Legal Costs		
Litigation	-	-
Other legal matters	425	5,680
	-----	-----
	425	5,680
	=====	=====
5. CASH		
Cash on Hand	287	80
General Cheque Account	47,498	8,748
Term Deposit	105,029	126,515
	-----	-----
	152,814	135,343
	=====	=====
6. RECEIVABLES		
Trade Debtors	550	200
Interest Receivable	-	911
	-----	-----
	550	1,111
	=====	=====
7. PLANT & EQUIPMENT		
Office Furniture & Equipment - Cost	54,233	51,467
Less Accumulated Depreciation	(33,989)	(25,453)
	-----	-----
	20,244	26,014
	=====	=====
8. CREDITORS & BORROWINGS		
Trade Creditors	9,993	10,360
Accrued Expenses	5,794	5,341
GST Liability	2,133	1,887
	-----	-----
	17,920	17,588
	=====	=====
9. EMPLOYEE BENEFITS		
Current Annual Leave – Holder of Office	(374)	1,606
Current Annual Leave – Employees	995	(1,666)
Non Current Long Service Leave – HOO	-	-
Non Current Long Service Leave – Employees	25,245	28,162
Separation and Redundancies – HOO	-	-
Separation and Redundancies- Employees	-	-
Other Employee Provisions – HOO	-	-
Other Employee Provisions – Employees	-	-
	-----	-----
	25,866	28,102
	=====	=====

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

10. RESERVES	2017	2016
	\$	\$
(a) Legal Fund	44,252	41,152
	=====	=====
(b) Movements		
Balance 1 July	41,152	33,516
Member's subscriptions received	-	-
Other legal matters paid – Victorian Branch	(5,400)	(5,000)
Other legal matters paid – Federal Branch	-	-
Other legal matters committed – Federal Branch	8,500	12,636
	-----	-----
Balance 30 June	44,252	41,152
	=====	=====
(c) The legal fund contains member's subscriptions received to cover legal fees such as registration and member issues.		

11. CASH FLOW INFORMATION	2017	2016
	\$	\$
Reconciliation of Net Cash Provided by Operating Activities with Net Income:		
Net Income/(loss)	11,747	54,484
Non-cash flows in net income:		
Depreciation	8,536	10,774
Loss on disposal of assets	-	-
Changes in assets and liabilities:		
Decrease/(increase) in receivables	561	(749)
Decrease/(increase) in rental bond	-	-
Decrease/(increase) in prepaid rent	-	(127)
Decrease/(increase) in prepaid expenses	(953)	(9,029)
Increase/(decrease) in creditors & borrowings	332	13,750
Increase/(decrease) in legal fund	3,100	7,636
Increase/(decrease) in commitments	(8,500)	(12,636)
Increase/(decrease) in income in advance	-	-
Increase/(decrease) in provisions	(2,236)	5,515
	-----	-----
Net Cash provided by (used in) operating activities	12,587	69,618
	=====	=====

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

12. 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 \$8,131 (2016: \$16,631) 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, during the 2013 financial year, 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. Balance of loan as at 30 June 2017 is \$17,715 (2016:\$25,365).

The Branch is not, for the purpose of continuing as a going concern, reliant on and does not receive any other kind of financial support from any other reporting unit.

13. REMUNERATION OF AUDITORS

	2017	2016
During the year the following fees were paid for services provided by the auditor of the entity:	\$	\$
<i>Audit services</i>		
Complete Audit Pty Ltd		
Audit and review of financial reports and other audit work	5,000	5,000
	-----	-----
	5,000	5,000
	=====	=====

14. RELATED PARTY TRANSACTIONS

a. Key management personnel compensation

Short-term employee benefits		
Salary (including annual leave taken)	181,121	170,274
Annual leave accrued	(374)	1,606
Long-term employee benefits		
Nil	-	-
	-----	-----
	180,747	171,880
	=====	=====

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

14. RELATED PARTY TRANSACTIONS (cont.)

b. Transactions with related parties

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.

15. EMPLOYEES

The APF employed 1 office holder and 1.2 employee (full time equivalents) at the end of the reporting period.

16. LEASE COMMITMENTS

Commitments in relation to leases contracted for at the reporting date, but not recognised as liabilities, payable:

	2017	2016
	\$	\$
Within one year	26,796	6,600
Later than one year, but not later than five years	6,732	-
	-----	-----
	33,528	6,600
	=====	=====

17. 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 Commissioner under subsection 245(1) of the RO Act of an alternative reporting structure
- d. a revocation by the Commissioner under subsection 249(1) of the RO Act of a certificate issued to an organisation under subsection 245(1).

18. 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
- No other fund required by the rules

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

19. 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	
	2017	2016	2017	2016	2017	2016	Within 1 year		1 to 5 years		2017	2016
	%	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets												
Term Deposit	2.4	3.05	-	-	-	-	105,029	126,515	-	-	105,029	126,515
Cash at Bank	1.0	1.0	-	-	47,498	8,828	-	-	-	-	47,498	8,828
Receivables			550	1,111	-	-	-	-	-	-	550	1,111
Loan	0.0	0.0	17,715	25,365	-	-	-	-	-	-	17,715	25,365
Total			18,265	26,476	47,498	8,828	105,029	126,515	-	-	170,792	161,819
Financial Liabilities												
Creditors			17,920	17,588	-	-	-	-	-	-	17,920	17,588
Commitment	0.0	0.0	8,131	16,631	-	-	-	-	-	-	8,131	16,631
			26,051	34,219	-	-	-	-	-	-	26,051	34,219

(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
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

19. FINANCIAL INSTRUMENTS (cont.)	2017	2016
	\$	\$
Net income and expenses from financial assets		
Interest revenue	2,976	2,084
	-----	-----
	2,976	2,084
	=====	=====

Net income and expenses from financial liabilities

No items to disclose.

20. 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 Commissioner:

- a. 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.
- 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).



CHARTERED ACCOUNTANTS
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COMPLETE AUDIT

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

Opinion

We have audited the financial report of the Australian Principals Federation Victorian Branch, which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year ended 30 June 2017, notes to the financial statements, including a summary of significant accounting policies; and the committee of management statement.

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

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

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

Basis for Opinion

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

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

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 Victorian Branch 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.



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

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

Our opinion of the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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.



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for our audit opinion.

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

Report on the Recovery of Wages Activity Financial Report

The Committee of Management is responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with the reporting guidelines. The Committee of Management have stated in their statement that no revenue has been derived from undertaking recovery of wages activity during the reporting period, and therefore no opinion can be provided in relation to recovery of wages activity.

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

Registered Auditor under section 255A of the Fair Work (Registered Organisations) Act 2009 Registration Number AA2017/218

Lilydale Victoria

25 August 2017