



FAIR WORK  
AUSTRALIA

6 January 2011

Mr Christopher Cotching  
Branch President  
Australian Principals Federation  
Victorian Branch  
Unit 2/13-21 Vale Street  
NORTH MELBOURNE VIC 3051

By email: [apf@apf.net.au](mailto:apf@apf.net.au)

Dear Mr Cotching

**Fair Work (Registered Organisations) Act 2009 – (RO Act)  
Financial report for year ended 30 June 2010 – FR2010/2777**

I acknowledge receipt of the financial report for year ended 30 June 2010 for the Victorian Branch of the Australian Principals Federation. The document was lodged with Fair Work Australia (FWA) on 15 December 2010.

The financial report has been filed.

Although the financial report has been filed please note the following comments relating to issues arising out of the filed financial report. These comments are made to assist you in the preparation of future financial reports and no further action is required in respect to the filed financial report.

Operating Report - number of employees

The operating report should provide details of the number of employees at the end of the financial year on a full-time equivalent basis. I note this information was provided in the notes to the financial statement but it is a requirement under regulation 159(b) of the *Fair Work (Registered Organisations) Regulations 2009* that this information appear in the operating report.

Notes to the financial statement - reproduction of s.272(1), (2) and (3) of RO Act

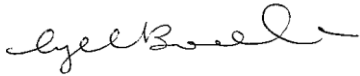
Section 272(5) requires subsections 272(1), (2) and (3) be reproduced in the general purpose financial report. Please ensure this is done in future. The legislation is available at: <http://www.fwa.gov.au/index.cfm?pagename=legislationfwoact>

Updating references to Fair Work (Registered Organisations) Act 2009

Please update the legislative references in the committee of management statement. The RAO Schedule is now the *Fair Work (Registered Organisations) Act 2009* and the RAO Regulations is now the *Fair Work (Registered Organisations) Regulations 2009*. The Industrial Registrar should now be referred to as the General Manager.

If you have any queries regarding this letter please do not hesitate to contact me on (03) 8661 7989 (Tuesdays – Fridays) or by email at [cynthia.lobooth@fwa.gov.au](mailto:cynthia.lobooth@fwa.gov.au)

Yours sincerely

A handwritten signature in black ink, appearing to read 'Cynthia Lo-Booth', with a long horizontal flourish extending to the right.

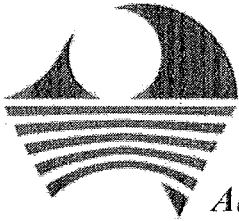
Cynthia Lo-Booth  
Tribunal Services and Organisations

FR2010/2777

APF

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Australian Principals Federation

**Certificate of Secretary or Other Authorised Officer**  
**2009-10 Australian Principals Federation**  
**Vic Branch**

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 referred to in s268 of Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members on 5 November 2010 ; and
- that the full report was presented to the Committee of Management held on 26 November 2010.

A handwritten signature in cursive script, appearing to read 'Christopher Cotching'.

(APF Victorian Branch President)

Date: 12 December 2010



**THE AUSTRALIAN PRINCIPALS FEDERATION  
VICTORIAN BRANCH**

**ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2010**

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**THE AUSTRALIAN PRINCIPALS FEDERATION  
VICTORIAN BRANCH**

**OPERATING REPORT FOR THE FINANCIAL YEAR 2010**

**Principal Activities**

The core business of the organisation and therefore the main activity has been to provide effective advice and support to Principal Class Officers as well as representing and advocating for them with the employer, in relation to matters such as classification and salary; contractual issues including matters of tenure and renewal processes; retirement and resignation; Work Cover; complaints resolution; disciplinary action; and performance management and related issues.

Throughout the current period the Australian Principals Federation (APF) has continued to support members and negotiate in relation to matters emanating from the implementation of the *Victorian Government Schools Agreement 2008*. Such discussions and negotiations have continued in relation to the Memorandum of Understanding that was concluded between the APF and the Victorian Government for Principal Class Officers.

As a significant stakeholder the APF has representation on a range of consultative committees established by the employer. In particular, this has enabled the APF to influence outcomes that impact upon the working conditions and entitlements of Principal Class Officers in relation to a plethora of employer led policy imperatives.

Significant progress was also made in matters outside the above agreements relating to contract renewal and a revision of the process relating to the management of complaints, misconduct and unsatisfactory performance of Principal Class Officers. Furthermore, significant resources were expended to enable the APF to advocate on behalf of individual in relation to a myriad of issues, and subsequently obtain successful outcomes for those involved.

Of continuing concern and focus has been our representations and negotiations relating to the unrelenting workload and expectations demanded of Principal Class Officers across Victoria, as they earnestly endeavour to implement Government policy. This has escalated in the current period due in part to a combination of factors, not least being the burgeoning demands created as a result of State – Federal initiatives and those generated by Network and Regional bureaucracies.

**Significant Changes**

The increase in our membership base remains a challenge. However there is cause for cautious optimism and belief that this trend can be reversed in the coming years.

Increasingly Principal Class officers are becoming aware of the need for an industrial organisation to safeguard and promote their interests. As one of the most devolved education systems in the Organisation for Economic Co-operation and Development (OECD), and yet paradoxically, as one of the most bureaucratised, the Victorian system presents escalating challenges for Principal Class Officers. The corollary of intense and unrelenting demands for policy implementation by Principal Class Officers has resulted in a system where practical support from the employer is increasingly acknowledged as wanting at best, and more widely perceived as non-existent. Principal Class Officers are increasingly reporting a sense of being isolated, marginalised and forgotten by the employer. Furthermore, as the gulf between the interests of teachers and Principal Class Officers has become more apparent the latter have increasingly sought interest and advice from our organisation. More significantly, whilst such officers have been members of professional associations there is a wider recognition that industrial protection from the APF is increasingly needed and is a separate function to the services provided by a professional body.

**THE AUSTRALIAN PRINCIPALS FEDERATION  
VICTORIAN BRANCH**

**OPERATING REPORT FOR THE FINANCIAL YEAR 2010**

**Significant Changes (continued)**

The renewed interest in membership 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. 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.

A range of initiatives are expected to contribute positively to the operational viability of the Australian Principals Federation in the next reporting period. These include but are not limited to:

- the provision of an updated interactive website;
- improvements in documentation and support to State 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.

Furthermore, as a result of the application of Section 26A of the *Fair Work Australia Act 2009* the Australian Principals Federation has been continually registered since January 2006. This is not insignificant in reflecting the industrial status of our organisation, nor in communicating with confidence our capacity to represent the Industrial interests of Principal Class Officers into the future.

As a cost cutting measure in this period the number of employees has been reduced and the President has taken on an increasingly 'hands on' role.

**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.

**Number of Members**

The number of financial members of the APF Victorian Branch as at 30 June 2010 was 885.

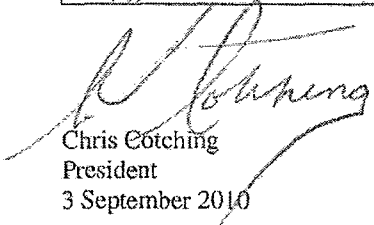
**THE AUSTRALIAN PRINCIPALS FEDERATION  
VICTORIAN BRANCH**

**OPERATING REPORT FOR THE FINANCIAL YEAR 2010**

**Committee of Management (APF Victorian Branch Council)**

For the entirety of the financial year, 1 July 2009 to 30 June 2010, the individuals listed below held office of the Australian Principals Federation - Victorian Branch Council unless otherwise stated.

Name	Sector	Constituency
Kevin Mackay (elected 19/05/09)	Primary	Statewide Victorian
David Finnerty	Secondary	Statewide Victorian
Robert Cherry (retired 28/02/2010) Jeff Douma (21/04/2010 under Section 47 Part 23 (b))	Primary	Barwon South West Region
Barry Rowland	Secondary	Barwon South West Region
Wendy Inman	Primary	Gippsland Region
James Rowley (retired 26/06/2010) Position vacant	Secondary	Gippsland Region
Andrew Dalgleish (resigned 20/02/09) Anne Runnalls (elected 9/09/2009) (resigned 10/02/2010) Position vacant	Primary	Grampians Region
Peter Dredge (resigned 23/03/09) Position vacant	Secondary	Grampians Region
Elizabeth Lloyd	Primary	Hume Region
John Pryor	Secondary	Hume Region
Position vacant	Primary	Loddon Mallee Region
Christopher Eeles	Secondary	Loddon Mallee Region
Christopher Cotching	Primary	Eastern Metropolitan Region
Fred Wubbeling (retired 12/ 07/2010) John Handley (21/07/2010 Section 47 Part 23 (b))	Secondary	Eastern Metropolitan Region
Loretta Piazza	Primary	Northern Metropolitan Region
Branko Lukic	Secondary	Northern Metropolitan Region
Rod Kendall (resigned 31/10/2009) Victoria Golding (10/02/2010 Section 47 Part 23 (b))	Primary	Southern Metropolitan Region
Karin Liedke (retired 31/12/2009) Position Vacant	Secondary	Southern Metropolitan Region
Peter Kearney	Primary	Western Metropolitan Region
Rod Kendall (10/02/2010 Section 47 Part 23 (b))	Secondary	Western Metropolitan Region

  
Chris Cotching  
President  
3 September 2010



**THE AUSTRALIAN PRINCIPALS FEDERATION  
VICTORIAN BRANCH**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2010**

	2010	2009
	\$	\$
<b>INCOME</b>		
Subscriptions		
- Primary Members	56,568	111,087
- Secondary Members	19,080	40,560
- Direct Payments	174,652	144,900
	-----	-----
	250,300	296,547
Reimbursements	86,929	86,662
Interest Received	1,312	3,437
Sponsorships	20,682	12,272
	-----	-----
	359,223	398,918
	-----	-----
<b>LESS EXPENDITURE</b>		
Occupancy and Office Expenses	103,338	159,093
APF Office Expenses	14,543	21,562
Wages & Salaries APF	243,651	236,194
Motor Vehicle Expenses	13,274	14,402
Finance Expenses	14,819	10,519
Consultancies	400	4,894
Meeting Expenses	7,990	9,914
Affiliation Expenses – Federal Branch	4,595	12,070
Bad Debts	-	3,500
Asset Write off	-	55,104
Loss on Disposal of Assets	1,576	-
	-----	-----
	404,186	527,252
	-----	-----
Other Comprehensive Income	-	-
Other Comprehensive Income for the Year	-	-
<b>Total Comprehensive Income for the Year</b>	-	-
	-----	-----
<b>OPERATING (LOSS) PROFIT FOR THE YEAR</b>	<b>(44,963)</b>	<b>(128,334)</b>
	=====	=====

The accompanying notes form part of this financial report.

**THE AUSTRALIAN PRINCIPALS FEDERATION  
VICTORIAN BRANCH**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2010**

	NOTE	2010 \$	2009 \$
<b>CURRENT ASSETS</b>			
Cash	3	35,398	95,000
Receivables		13,417	19,107
<b>TOTAL CURRENT ASSETS</b>		<u>48,815</u>	<u>114,107</u>
<b>NON-CURRENT ASSETS</b>			
Plant & equipment	4	27,080	45,431
<b>TOTAL NON-CURRENT ASSETS</b>		<u>27,080</u>	<u>45,431</u>
<b>TOTAL ASSETS</b>		<u>75,895</u>	<u>159,538</u>
<b>CURRENT LIABILITIES</b>			
Creditors and borrowings	5	40,346	81,629
Employee benefits	6	5,624	799
<b>TOTAL CURRENT LIABILITIES</b>		<u>45,970</u>	<u>82,428</u>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	6	7,607	8,764
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>7,607</u>	<u>8,764</u>
<b>TOTAL LIABILITIES</b>		<u>53,577</u>	<u>91,192</u>
<b>NET ASSETS</b>		<u>22,318</u>	<u>68,346</u>
<b>MEMBERS' EQUITY</b>			
Reserves	7	111,840	112,905
Retained Profits/(Accumulated Losses)		(89,522)	(44,559)
<b>TOTAL MEMBERS' EQUITY</b>		<u>22,318</u>	<u>68,346</u>

The accompanying notes form part of this financial report.

**THE AUSTRALIAN PRICIPALS FEDERATION  
VICTORIAN BRANCH**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2010**

	NOTE	2010 \$	2009 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from Subscriptions		255,990	162,534
Reimbursements		86,929	86,662
Payments to suppliers and employees		(433,122)	(257,461)
Interest received		1,312	3,437
Sponsorship		20,682	12,272
		-----	-----
Net cash provided by (used in) operating activities	8	(68,209)	7,444
		-----	-----
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Proceeds from sale of fixed assets		11,818	-
Fixed asset purchases		(3,211)	(1,172)
		-----	-----
		8,607	(1,172)
		-----	-----
Net increase (decrease) in cash held		(59,602)	(6,272)
Cash at the beginning of the financial year		95,000	88,728
		-----	-----
Cash at the end of the financial year	3	35,398	95,000
		=====	=====

The accompanying notes form part of this financial report.

**THE AUSTRALIAN PRICIPALS FEDERATION  
VICTORIAN BRANCH**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2010**

<b>2010</b>	<b>Retained Profits</b>	<b>Reserves</b>	<b>Total</b>
	\$	\$	\$
Beginning of the financial year	(44,559)	112,905	68,346
Movement for the year	(44,963)	(1,065)	(46,028)
End of the financial year	<u>(89,522)</u>	<u>111,840</u>	<u>22,318</u>
	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>
<b>2009</b>	<b>Retained Profits</b>	<b>Reserves</b>	<b>Total</b>
	\$	\$	\$
Beginning of the financial year	83,775	114,873	198,648
Movement for the year	(128,334)	(1,968)	(130,302)
End of the financial year	<u>(44,559)</u>	<u>112,905</u>	<u>68,346</u>
	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>

The accompanying notes form part of this financial report.

**THE AUSTRALIAN PRINCIPALS FEDERATION  
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is for the entity Australian Principals Federation Victorian Branch, as an individual entity. This organisation is registered under the Fair Work (Registered Organisations) Act 2009 and domiciled in Australia. In accordance with the Act the Federation is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Federation is not subject to the Corporations Act 2001.

**(a) Basis of Preparation**

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the requirements imposed by the reporting guidelines of Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

**(b) Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised for major activities as follows:

**(i) Subscriptions**

Subscriptions are recognised on receipt from members.

**(ii) Reimbursements**

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

**(iii) Interest income**

Interest income is recognised on a time proportion basis taking into account the interest rates applicable to the financial assets.

**(iv) Donations and Sponsorships**

Donations and sponsorships are recognised on receipt of the funds.

**(c) Income Tax**

The Federation is exempt from the payment of income tax pursuant to Section 50 of the Income Tax Assessment Act 1997.

**THE AUSTRALIAN PRINCIPALS FEDERATION  
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30TH JUNE 2010**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(d) 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.

**(e) Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, high liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(f) 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.

**(g) Plant and Equipment**

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Foundation and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

**THE AUSTRALIAN PRINCIPALS FEDERATION  
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30TH JUNE 2010**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(g) Plant and Equipment (continued)**

Depreciation is calculated on the straight line basis to write off the net cost of each fixed asset during its expected useful life. The principal annual rates in use are:

Motor Vehicles	25%
Office Furniture and Equipment	10% - 25%
Professional Library	10%

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1 (d)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

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

**(i) Employee benefits**

**(i) Wages and Salaries and Annual Leave**

Liabilities for wages and salaries and annual leave are recognised in current provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

**(ii) Long Service Leave**

A liability for long service leave is recognised in the provision for employee benefits, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

**THE AUSTRALIAN PRINCIPALS FEDERATION  
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30TH JUNE 2010**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(j) New accounting standards and interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2010 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.

	2010	2009
	\$	\$

**2. EXPENSES**

Operating profit (loss) includes the following specific expenses:

Depreciation of plant and equipment	8,168	21,918
Provisions – employee entitlements	3,669	7,171
	11,837	29,089
	11,837	29,089

**3. CASH**

Cash on Hand	237	45
General Cheque Account	18,382	44,479
Term Deposits	16,779	50,476
	35,398	95,000
	35,398	95,000



**THE AUSTRALIAN PRINCIPALS FEDERATION  
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30TH JUNE 2010**

	2010	2009
	\$	\$
<b>4. PLANT &amp; EQUIPMENT</b>		
Motor Vehicles - Cost	-	38,261
Less Accumulated Depreciation	-	(22,370)
	-----	-----
	-	15,891
	-----	-----
Office Furniture & Equipment - Cost	47,436	46,788
Less Accumulated Depreciation	(20,356)	(17,248)
	-----	-----
	27,080	29,540
	-----	-----
	27,080	45,431
	=====	=====
<b>5. CREDITORS &amp; BORROWINGS</b>		
Sundry Creditors and Accruals	37,507	84,891
GST Outstanding	2,839	(3,262)
	-----	-----
	40,346	81,629
	=====	=====
<b>6. EMPLOYEE BENEFITS</b>		
Current Annual Leave	5,624	799
Non Current Long Service Leave	7,607	8,764
	-----	-----
	13,231	9,563
	=====	=====

**THE AUSTRALIAN PRINCIPALS FEDERATION  
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2010**

	2010	2009
	\$	\$
<b>7. RESERVES</b>		
(a) Legal Fund	111,840	112,905
	<u>=====</u>	<u>=====</u>
(b) Movements		
Balance 1 July	112,905	114,873
Member's subscriptions received	45,887	56,553
Legal fees paid	(46,952)	(58,521)
	<u>-----</u>	<u>-----</u>
Balance 30 June	111,840	112,905
	<u>=====</u>	<u>=====</u>
(c) The legal fund contains member's subscriptions received to cover legal fees such as registration and member issues.		
<b>8. CASH FLOW INFORMATION</b>	<b>2010</b>	<b>2009</b>
	\$	\$
Reconciliation of Net Cash Provided by Operating Activities with Net Income		
Net Income/(loss)	(44,963)	(128,334)
Non-cash flows in net income		
Depreciation	8,168	21,918
Asset Write Off	-	55,104
Loss on Sale of Assets	1,576	-
Changes in assets and liabilities		
Decrease/(increase) in receivables	5,690	17,634
Increase/(decrease) in creditors	(41,283)	50,260
Increase/(decrease) in legal fund	(1,065)	(1,968)
Increase/(decrease) in provisions	3,668	(7,170)
	<u>-----</u>	<u>-----</u>
Net Cash provided by (used in) operating activities	(68,209)	7,444
	<u>=====</u>	<u>=====</u>

**THE AUSTRALIAN PRINCIPALS FEDERATION  
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2010**

<b>9. REMUNERATION OF AUDITORS</b>	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
During the year the following fees were paid or payable for services provided by the auditor of the entity:		
<i>Audit services</i>		
Mark Costigan & Associates		
Audit and review of financial reports and other audit work	4,730	4,290
<i>Other Services</i>		
Mark Costigan & Associates		
Advice regarding the AIRC Act	2,200	3,850
Advice regarding cash flow projection	770	-
Taxation services	462	-
	-----	-----
	<b>8,162</b>	<b>8,140</b>
	=====	=====

**10. RELATED PARTY TRANSACTIONS**

**(a) Key management personnel compensation**

Short-term employee benefits	146,848	144,979
Other Long-term employee benefits	-	4,704
	-----	-----
	<b>146,848</b>	<b>149,683</b>
	=====	=====

**(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.

**11. EMPLOYEES**

The Federation employed 1 employee at 30<sup>th</sup> June 2010.

**THE AUSTRALIAN PRINCIPALS FEDERATION  
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**12. GOING CONCERN**

Attention should be drawn to the statement of changes in equity which indicates that the Federation incurred a net loss of \$44,963 during the year ended 30 June 2010 and, as of that date, the Federation's accumulated losses total \$89,522. Attention should also be drawn to the Statement of Cash Flows which shows a net decrease in cash held of \$59,602.

The Committee of Management have prepared a detailed cash flow projection and business plan for the next financial year and based on these projections are confident that the Federation will return to profitability during this period.

**THE AUSTRALIAN PRICIPALS FEDERATION  
VICTORIAN BRANCH**

**COMMITTEE OF MANAGEMENT STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2010**

On 3 September 2010 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 2010.

The Committee of Management declares in relation to the GPFR 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 Industrial Registrar;
- (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 RAO Schedule and the RAO Regulations; and
  - (iv) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member of Registrar; and
  - (v) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.
- (f) in relation to recovery of wages activity:
  - (i) there has been no such activity undertaken by the reporting unit.

For Committee of Management

  
Chris Cotching

President

3 September 2010

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

**Report on the Financial Report**

We have audited the financial report of the Australian Principals Federation Victorian Branch for the year ended 30 June 2010. The financial report includes the financial statements of the Federation and the Committee of Management Statement. The Committee of Management is responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Federation.

**Committee Members' Responsibility for the Financial Report**

The committee members' of the Australian Principals Federation Victorian Branch are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**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 entity's preparation and fair presentation of the financial report 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 entity'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 general purpose financial report of the Australian Principals Federation Victorian Branch presents fairly the financial position of the Australian Principals Federation Victorian Branch as at 30 June 2010 and the results of its operations and its cash flows for the financial year then ended, in accordance with any of the following that apply in relation to the reporting unit:

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

## **Material Uncertainty Regarding Continuation as a Going Concern**

Without qualifying our opinion, we draw attention to Note 12 in the financial report which indicates that the Federation incurred a net loss of \$44,963 during the year ended 30 June 2010 and, as of that date, the Federation's accumulated losses total \$89,522. 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  
3 September 2010