



26 November 2013

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

Dear Mr Cotching

Australian Principals Federation Victorian Branch Financial Report for the year ended 30 June 2012 - FR2012/474

I acknowledge receipt of the financial report of the Australian Principals Federation Victorian Branch for the year ended 30 June 2012. The documents were lodged with Fair Work Commission (then known as Fair Work Australia) on 5 December 2012. I acknowledge supplementary information from your Auditor, Mark Costigan & Associates on 25 November 2013 which provided clarification to various questions I raised.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged. This financial report was filed based on a preliminary review.

Please note that the reporting unit financial report for the year ending 30 June 2013 may be subject to a full compliance audit.

Changes to the legislation and reporting guidelines

I note with the change of legislation, references to Fair Work Australia will need to be updated to the Fair Work Commission.

Additionally, a third edition to the General Manager's s.253 reporting guidelines was gazetted on 26 June 2013. These guidelines will apply to all financial reports that end on or after 30 June 2013. Fair Work Commission has also developed a model set of financial statement for the 2012-2013 financial year. There is no requirement to use this model but it may be a useful resource to ensure compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 reporting guidelines and the Australian Accounting Standards.

The guidelines and model financial statements are available on the website here:

<http://www.fwc.gov.au/index.cfm?pagename=regorgsfrguidelines#finance>

As stated previously, this financial report was filed based on a preliminary review. The financial report for the year ending 30 June 2013 may be subject to a full compliance audit.

If you have any queries regarding this letter, please contact me on (03) 8661 7886, or by email at joanne.fenwick@fwc.gov.au.

Yours sincerely

Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch



Australian Principals Federation

APF

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Certificate of Secretary or Other Authorised Officer
2011 -12 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 18 October 2012 ; and
- that the full report was presented to the Committee of Management held on 16 November 2012.

Chris Cotching
President
Date: 16th November 2012

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2012**

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**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

OPERATING REPORT FOR THE FINANCIAL YEAR 2012

Principal Activities

The core business of the organisation is 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, range and salary; contractual issues including matters of tenure and renewal processes; retirement and resignation; Work Cover; complaints resolution; salary packaging, disciplinary action; performance management and a plethora of related issues.

Throughout the current period the APF has continued to support members and negotiate in relation to matters emanating from the implementation of the *Victorian Government Schools Agreement 2008*. Significantly, on 19th May 2011 the APF served a comprehensive log of claims on the Department of Education and Early Childhood Development (DEECD) with a focus upon achieving a separate Principal Class Agreement. Negotiations commenced on Thursday 4th August 2011. These are continuing to occur involving our Enterprise Bargaining Team on a regular basis.

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 myriad 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. Importantly the APF has raised the expectations we have on the employer in relation to existing duty of care matters but also those emerging as a result of changing community fabric and mores and at times, as a corollary to the use of new technologies. Furthermore, significant resources were expended to enable the APF to advocate on behalf of individuals in relation to a wide range of issues, and subsequently obtain successful outcomes for those involved. The use of industrial support officers employed to support Principal Class Officers statewide occurred during the reporting period. Of particular focus and success has been the direct advocacy, support and intervention the APF has undertaken with the nine DEECD Regional Directors or immediate line managers of Principal members.

Of continuing concern and focus have 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 and meet the burgeoning expectations of school communities. This has escalated in the current period due in part to two broad factors, not least being the burgeoning demands created as a result of State – Federal initiatives and those generated by Network and Regional bureaucracies.

Additionally, the period of uncertainty created by imminent changes to DEECD organisational structures and functions has resulted in a growing lack of confidence as Principals struggle to obtain appropriate advice and support in a timely manner. Again where such instances have occurred we have advised the employer of their need for duty of care and commensurate support and at times protections.

Moreover there appears to be an escalation in the devolved accountabilities placed on Principal Class Officers with an inverse focus upon the training, support and intervention that is required to enable them to implement these functions.

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

OPERATING REPORT FOR THE FINANCIAL YEAR 2012

Significant Changes

At the end of the reporting period we witness the cusp of considerable potential change in employment matters affecting Principal Class Officers. The following Government and /or Employer initiatives will continue to influence the employment relationship and the ever increasing needs of our members for increased advocacy, support, intervention and protections.

- Release of the Ministerial headland policy document – *Victoria as a Learning Community* – November 2011.
- Release of the *New Directions for School Leadership and the Teaching Profession* – 21st June 2012
- Organisational Restructure of the DEECD and therein the structure, functions and roles of Central Office, Regional Offices and School Networks. Of significance for many members is the abolition of some 72 Regional Network Leaders State wide and the withdrawal of support services due in part to significant staffing cuts to the Public Service in Victoria.

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 that in the immediate period has been 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, protection and advice from our organisation. More significantly, whilst such officers have been members of professional associations there is a wider recognition, particularly in the reporting period, that industrial protection from the APF is increasingly needed and is a separate function to the services provided by a professional body. This continues to be a surprise to some members of the Principal Class in Victoria.

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. We expect that this will not only continue but increase into the future.

The APF has been able to continue as a viable entity and this is expected to continue into the foreseeable future.

The APF has been operating in an under resourced manner for a number of years and this was no longer sustainable with the increase in demand from members for *one on one* support statewide. As a result in July 2012 the APF membership subscription fees were increased from \$397.20 to \$612.00 per calendar year. Membership fees had not increased since January 2008. The increase in fees came into effect as a pro rata on 1st July 2012.

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

OPERATING REPORT FOR THE FINANCIAL YEAR 2012

Significant Changes (continued)

This will make a significant difference to our resources as we continue to provide the timely support, advice and advocacy needed to our members. Counsel, Ryan Carlisle Thomas, has accepted a payment plan for the legal fees incurred the High Court Full Court Proceedings ending February 2013. We envisage this to be the last of the long and bitter dispute with the Australian Education Union (AEU) extending over more than 14 years.

The APF is an independent organisation deriving funds from membership subscription only. With the significant changes affecting the landscape of education in this State and the prospect of a separate Principals Class Agreement the membership subscription of the APF is expected to increase in the very near future.

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

- The significant change to access to members of Government and Senior Officers of the DEECD, including the State Education Minister (s) and their advisors
- Regular representations and dialogue with the Secretary, Deputy Secretaries and Executive Directors and those involved in Statutory authorities regarding member interests.
- Active and direct representations to Members of Parliament on a regular basis through written and verbal communications
- Regular representations and strategic alliances with other stakeholder organisations to effect member interests.
- Increased profile created through in excess of forty meetings / forums / consultations conducted state wide in regional centres in preparation for Enterprise Bargaining but also in relation to ongoing member matters.
- Improvements in documentation and support to State Councillors and members.
- Membership drive with high levels of presence and connectedness.
- Significant responsiveness to existing member needs and emerging interests.
- Increased and regular communication via newsletters, presentations to groups and emails on specific issues.

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. The decision by the full bench of the High Court on 4th May 2012 in its affirmation of this position has created a watershed, ensuring once and for all that the resources of the APF will no longer need to be diverted to such distractions.

Additionally the APF has continued in representation on a further range of consultative forums conducted by the employer. These have included representation on the Ministerial Advisory Committee regarding Election Commitments; the Student Resource Package Consultative Committee. The Principal Data Advisory Group and others including the Ultranet Stakeholders Committee.

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

OPERATING REPORT FOR THE FINANCIAL YEAR 2012

Significant Changes (continued)

Significantly the contributions and representations have increased markedly in the current reporting period. This has included forums and consultations emanating from the release of such documents as *Victoria as a Learning Community*; *New Directions for School Leadership and the Teaching Profession*; *School Networks*; *School Compacts*; and other ongoing dialogue in matters emanating from the School Education Group; the People and Executive Services Group; Regional Services Group and Strategy and Review Group of the DEECD.

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 2012 was 879.

Number of Employees

The APF had 2 (EFT) employees in the reporting period.

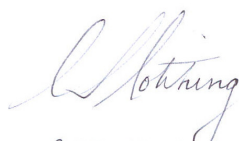
**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

OPERATING REPORT FOR THE FINANCIAL YEAR 2012

Committee of Management (APF Victorian Branch Council)

For the entirety of the financial year, 1 July 2011 to 30 June 2012, the individuals listed below held office of the Australian Principals Federation - Victorian Branch Council unless otherwise stated.

Name	Sector	Constituency
Chris Cotching	Primary	Statewide Victorian
David Finnerty	Secondary	Statewide Victorian
Jeff Douma	Primary	Barwon South West Region
Barry Rowland	Secondary	Barwon South West Region
Wendy Inman	Primary	Gippsland Region
Leonie McCluskey (resigned 9/05/2012)	Secondary	Gippsland Region
Vacant	Primary	Grampians Region
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
Ian Sloane	Primary	Eastern Metropolitan Region
John Handley	Secondary	Eastern Metropolitan Region
Loretta Piazza	Primary	Northern Metropolitan Region
Branko Lukic	Secondary	Northern Metropolitan Region
Kevin Mackay	Primary	Southern Metropolitan Region
Julie Podbury	Secondary	Southern Metropolitan Region
Peter Kearney	Primary	Western Metropolitan Region
Rod Kendall	Secondary	Western Metropolitan Region



Chris Cotching
President
14th September 2012

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012**

	2012	2011
INCOME	\$	\$
Subscriptions		
- Primary Members	51,244	52,142
- Secondary Members	15,224	13,636
- Direct Payments	239,934	223,642
	-----	-----
	306,402	289,420
Reimbursements	87,383	99,765
Interest Received	654	1,091
Sponsorships	21,932	23,932
Donations	200	-
AGM	6,090	-
	-----	-----
	422,661	414,208
	-----	-----
LESS EXPENDITURE		
Occupancy and Office Expenses	131,062	121,014
APF Office Expenses	20,853	19,775
Wages & Salaries APF	233,800	201,305
Motor Vehicle Expenses	12,810	7,104
Finance Expenses	10,300	9,662
Consultancies	870	2,350
Meeting Expenses	16,783	5,076
Affiliation Expenses – Federal Branch	4,797	3,950
	-----	-----
	431,275	370,236
	-----	-----
Other Comprehensive Income		
Other Comprehensive Income for the Year	-	-
	-----	-----
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(8,614)	43,972
	=====	=====

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012**

	NOTE	2012 \$	2011 \$
CURRENT ASSETS			
Cash	3	27,642	47,192
Receivables	4	3,750	19,598
		-----	-----
TOTAL CURRENT ASSETS		31,392	66,790
		-----	-----
NON-CURRENT ASSETS			
Plant & equipment	5	49,087	44,806
		-----	-----
TOTAL NON-CURRENT ASSETS		49,087	44,806
		-----	-----
TOTAL ASSETS		80,479	111,596
		-----	-----
CURRENT LIABILITIES			
Creditors and borrowings	6	37,479	42,757
Employee benefits	7	3,520	560
Commitment to Federal Branch		43,666	-
		-----	-----
TOTAL CURRENT LIABILITIES		84,665	43,317
		-----	-----
NON-CURRENT LIABILITIES			
Employee benefits	7	12,900	10,227
		-----	-----
TOTAL NON-CURRENT LIABILITIES		12,900	10,227
		-----	-----
TOTAL LIABILITIES		97,565	53,544
		-----	-----
NET ASSETS		(17,086)	58,052
		=====	=====
MEMBERS' EQUITY			
Reserves	8	37,078	103,602
Retained Profits/(Accumulated Losses)		(54,164)	(45,550)
		-----	-----
TOTAL MEMBERS' EQUITY		(17,086)	58,052
		=====	=====

**THE AUSTRALIAN PRICIPALS FEDERATION
VICTORIAN BRANCH**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012**

	NOTE	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Subscriptions		315,960	284,966
Reimbursements		87,383	99,765
Payments to suppliers and employees		(432,426)	(369,477)
Interest received		654	1,091
Sponsorship		21,932	23,932
		-----	-----
Net cash provided by (used in) operating activities	9	(6,497)	40,277
		-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:			
Fixed asset purchases		(13,053)	(28,483)
		-----	-----
Net cash provided by (used in) investing activities		(13,053)	(28,483)
		-----	-----
Net increase (decrease) in cash held		(19,550)	11,794
Cash at the beginning of the financial year		47,192	35,398
		-----	-----
Cash at the end of the financial year	3	27,642	47,192
		=====	=====

**THE AUSTRALIAN PRICIPALS FEDERATION
VICTORIAN BRANCH**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012**

2012	Retained Profits	Reserves	Total
	\$	\$	\$
Beginning of the financial year	(45,550)	103,602	58,052
Movement for the year	(8,614)	(66,524)	(75,138)
	-----	-----	-----
End of the financial year	(54,164)	37,078	(17,086)
	=====	=====	=====
2011	Retained Profits	Reserves	Total
	\$	\$	\$
Beginning of the financial year	(89,522)	111,840	22,318
Movement for the year	43,972	(8,238)	35,734
	-----	-----	-----
End of the financial year	(45,550)	103,602	58,052
	=====	=====	=====

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2012**

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 2012**

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 probably 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 2012**

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	22.5%
Office Furniture and Equipment	10%-25%

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 2012**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Leases

Leases of plant and equipment where the Federation, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased item or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Federation as lessee are classified as operating leases (note 13). Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

(k) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2012 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. EXPENSES	2012	2011
	\$	\$
Operating profit (loss) includes the following specific expenses:		
Depreciation of plant and equipment	8,771	10,211
Provisions – employee entitlements	5,633	(2,442)
	-----	-----
	14,404	7,769
	=====	=====
 3. CASH		
Cash on Hand	200	232
General Cheque Account	27,442	29,109
Term Deposits	-	17,851
	-----	-----
	27,642	47,192
	=====	=====

**THE AUSTRALIAN PRINCIPALS FEDERATION
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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 2012**

	2012	2011
	\$	\$
4. RECEIVABLES		
Trade Debtors	3,750	17,870
Sundry Debtor – APF Federal	-	1,728
	-----	-----
	3,750	19,598
	=====	=====
5. PLANT & EQUIPMENT		
Motor Vehicles - Cost	14,545	14,545
Less Accumulated Depreciation	(3,695)	(545)
	-----	-----
	10,850	14,000
	-----	-----
Office Furniture & Equipment - Cost	62,158	49,106
Less Accumulated Depreciation	(23,921)	(18,300)
	-----	-----
	38,237	30,806
	-----	-----
	49,087	44,806
	=====	=====
6. CREDITORS & BORROWINGS		
Trade Creditors	20,968	18,517
Accrued Expenses	2,782	4,722
GST Liability	1,570	4,202
Hire Purchase Liability	12,159	15,316
	-----	-----
	37,479	42,757
	=====	=====
7. EMPLOYEE BENEFITS		
Current Annual Leave	3,520	560
Non Current Long Service Leave	12,900	10,227
	-----	-----
	16,420	10,787
	=====	=====

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2012**

8. RESERVES	2012 \$	2011 \$
(a) Legal Fund	37,078	103,602
	=====	=====
(b) Movements		
Balance 1 July	103,602	111,840
Member's subscriptions received	20,040	18,091
Legal fees paid – Victorian Branch	(8,404)	(26,329)
Legal fees paid – Federal Branch	(34,494)	-
Legal fees committed – Federal Branch	(43,666)	-
	-----	-----
Balance 30 June	37,078	103,602
	=====	=====
(c) The legal fund contains member's subscriptions received to cover legal fees such as registration and member issues.		
 9. CASH FLOW INFORMATION	2012 \$	2011 \$
Reconciliation of Net Cash Provided by Operating Activities with Net Income:		
Net Income/(loss)	(8,614)	43,972
Non-cash flows in net income:		
Depreciation	8,771	10,211
Changes in assets and liabilities:		
Decrease/(increase) in receivables	15,848	(6,181)
Increase/(decrease) in creditors & borrowings	(5,278)	2,411
Increase/(decrease) in legal fund	(66,524)	(8,238)
Increase/(decrease) in commitments	43,666	-
Increase/(decrease) in provisions	5,634	(1,898)
	-----	-----
Net Cash provided by (used in) operating activities	(6,497)	40,277
	=====	=====

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2012**

10. REMUNERATION OF AUDITORS	2012	2011
	\$	\$
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	6,300	4,950
<i>Other Services</i>		
Mark Costigan & Associates		
Taxation services	420	420
	-----	-----
	6,720	5,370
	=====	=====

11. RELATED PARTY TRANSACTIONS

(a) Key management personnel compensation

Short-term employee benefits	155,293	125,035
Other Long-term employee benefits	-	-
	-----	-----
	155,293	125,035
	=====	=====

(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.

12. EMPLOYEES

The Federation employed 2 employees at 30th June 2012.

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2012**

13. LEASE COMMITMENTS

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

	2012	2011
	\$	\$
Within one year	7,928	7,928
Later than one year, but not later than five years	7,928	15,857
	-----	-----
	15,856	23,785
	=====	=====

14. GOING CONCERN

Attention should be drawn to the statement of changes in equity which indicates that the Federation incurred a loss of \$8,614, which has increased the accumulated losses to \$54,164 (2011: \$45,550). Additionally, the reserves have decreased by \$66,524 to \$37,078 due to a number of legal costs throughout the year. As a result, total liabilities exceed total assets by \$17,086. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Federation's ability to continue as a going concern.

The 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 continue to trade profitably and will recoup these losses during this period.

15. MEMBERS' ACCESS TO FINANCIAL RECORDS

Information to be provided to members or General Manager

- (a) A member of a reporting unit, or the General Manager, 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 PRICIPALS FEDERATION
VICTORIAN BRANCH**

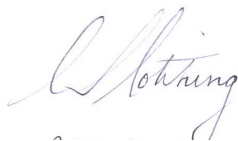
**COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012**

On 14th September 2012 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 2012.

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 Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; 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 Fair Work (Registered Organisations) Act 2009 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 Fair Work (Registered Organisations) Act 2009.
- (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

14th September 2012

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

We have audited the financial report of the Australian Principals Federation Victorian Branch for the year ended 30 June 2012. The financial report includes the financial statements of the Federation and the Committee of Management Statement.

Committee Members' Responsibility for the Financial Report

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Federation's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Federation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee members', as well as evaluating the overall presentation of the financial report.

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

Independence

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

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material aspects, the financial position of the Australian Principals Federation Victorian Branch as at 30 June 2012, and its financial performance and its cash flows for the year then ended in accordance with:

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

Basis of Accounting and Restriction on Distribution

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

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to Note 14 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 incurred a loss of \$8,614 for the year which has increased its accumulated losses to \$54,164. Additionally, the reserves have decreased by \$66,524 to \$37,078 resulting in total liabilities exceeding total assets by \$17,086. 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
14th September 2012