



18 June 2019

Ms Angela Briant
Branch Secretary
Independent Education Union of Australia, Western Australian Branch

By e-mail: ABriant@ieuwa.asn.au

Dear Ms Briant

**Independent Education Union of Australia, Western Australian Branch
Financial Report for the year ended 31 December 2018 - FR2018/309**

I acknowledge receipt of the financial report for the year ended 31 December 2018 for the Independent Education Union of Australia, Western Australian Branch (**the reporting unit**). The financial report was lodged with the Registered Organisations Commission (**ROC**) on 13 June 2019.

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

Whilst the 2018 report has been filed the following should be addressed in the preparation of the next financial report.

1. General Purpose Financial Report (GPFR)

Reporting guideline activities – not disclosed

Item 21 of the reporting guidelines states that if any activity described within items 10-20 of the reporting guidelines has not occurred in the reporting period, a statement to this effect must be included the GPFR or in an officer's declaration statement.

The notes contained nil activity information for all prescribed reporting guideline categories except the following:

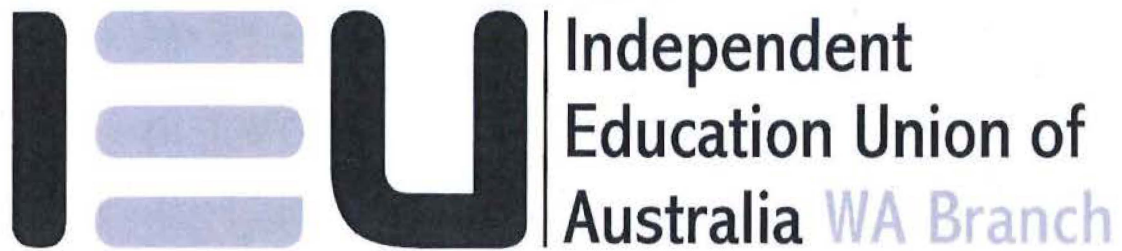
- Item 12 - acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- Item 13(e) – receive revenue from undertaking recovery of wages activity
[It is noted that this item was disclosed in the operating report but not in the GPFR as required by the reporting guidelines.]
- Item 20 - make a payment to a former related party of the reporting unit

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

A handwritten signature in black ink, appearing to read 'K. Morgan', with a stylized flourish at the end.

KEN MORGAN
Financial Reporting Specialist
Registered Organisations Commission



**INDEPENDENT EDUCATION UNION OF AUSTRALIA
WA BRANCH**

ABN 59 914 290 495

**GENERAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**



Anderson Munro & Wyllie

CHARTERED ACCOUNTANTS, REGISTERED COMPANY
AUDITORS AND REGISTERED SMSF AUDITORS

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10 May 2019

The Committee
Independent Education Union of WA
PO Box 739
Belmont WA 6984

Dear Committee Members,

We advise that we have completed our audit for the Independent Education Union of Australia, WA Branch for the year ended 31 December 2018 and enclose for your attention:

- Financial statements Independent Education Union Australia, WA Branch with signed Audit Report; and
- Our management letter for the year ended 31 December 2018.

Our final fee for the audit will be emailed.

Please do not hesitate to contact us should you have any queries in relation to the audit.

Yours sincerely
ANDERSON MUNRO & WYLLIE

MARTIN SHONE
Principal

Enc.

INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

ABN 59 914 290 495

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INDEPENDENT EDUCATION UNION OF AUSTRALIA, WA BRANCH

ABN 59 914 290 495

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the year ended 31 December 2018

I Angela Briant being the Secretary of the Independent Education Union of Australia, WA Branch certify:

- That the documents lodged herewith are copies of the full report for the Independent Education Union of Australia, WA Branch for the year ended 31 December 2018 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 12 June 2019; and
General Meeting of Members
- That the full report was presented to a meeting of the committee of management of the Union on 8 May 2019 in accordance with s.266 of the Fair Work (*Registered Organisations*) Act 2009.

Angela Briant

Angela Briant

Secretary

13 June 2019

INDEPENDENT EDUCATION UNION OF AUSTRALIA, WA BRANCH


ABN 59 914 290 495

REPORT REQUIRED UNDER SUBSECTION 255(2A)
for the year ended 31 December 2018

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 December 2018.

Descriptive form

Categories of expenditures	2018 \$	2017 \$
Remuneration and other employment-related costs and expenses- employees	1,712,723	1,567,012
Advertising	-	-
Operating costs	2,557,881	2,449,181
Donations to political parties	-	-
Legal costs	35,000	18,976



Angela Briant

Secretary

8 May 2019

INDEPENDENT EDUCATION UNION OF AUSTRALIA, WA BRANCH

ABN 59 914 290 495

OPERATING REPORT

The Branch Committee of Management ("the Committee") present their operating report on the Independent Education Union of Australia WA Branch ("the Union") for the financial year 31 December 2018.

Members of the Committee of Management

The names of the Committee Members who held office during the financial year and to date were:

1.	A. Walker, President	(1 January 2018 – 7 May 2019)
2.	B. Martin, President	(8 May 2019 – 30 November 2019)
3.	M. Swain, Vice President	(1 January 2018 - 28 November 2018)
4.	B. Martin, Vice President	(29 November 2018 – 7 May 2019)
5.	L. Reeves, Vice President	(8 May 2019 – 30 November 2019)
6.	A Briant, Secretary	(1 January 2018 - 30 November 2019)
7.	B. Martin	(1 January 2018 – 28 November 2018)
8.	C. Williams	(1 January 2018 - 30 November 2019)
9.	B. Frost	(1 January 2018 - 30 November 2019)
10.	R. Thomas	(1 January 2018 - 30 November 2019)
11.	A. Milne	(1 January 2018 - 30 November 2019)
12.	L. Reeves	(1 January 2018 – 7 May 2019)
13.	D. Murray	(1 January 2018 - 30 November 2019)
14.	M. English	(1 January 2018 - 30 November 2019)
15.	H. Keogh	(29 November 2018 – 30 November 2019)

Members have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activity

1. Advice, provide information, support and advocacy to members in the industrial and professional education related matters.
2. Representation of the industrial and professional interests of the members in various forums including the ACTU; UnionsWA; The Australian Curriculum, assessment and reporting authority; The Australian Institute of Teaching and School leadership; educational and professional stakeholder meetings; representation to Federal Government Ministers and opposition spokespersons; representation of the union's interests to the Fair Work Commission and the Registered Organisations Commission.
3. Submissions to Federal Office for national inquiries on school funding, educational, industrial and human rights issues relevant to the membership and the broader community.
4. Research in relevant areas of public policy such as the funding of schooling, industrial, legal and constitutional matters, educational issues, and human rights concerns. Oversight of the comparative salaries and conditions of various categories of staff in non-government schools across the jurisdictions. Monitoring of Fair Work Commission decisions and decisions from other jurisdictions.
5. Protection and carriage of the Union's Rules.
6. Negotiating Enterprise Bargaining Agreements for members at Independent and Catholic schools.

Results of these activities

1. Limiting decrease in member numbers to a small number.
2. Delegates and members being increasingly knowledgeable and active. Increase in the number of delegates.
3. Enhancing the visibility and profile of the Branch in non-government schools.
4. Improvements in the salaries and working conditions of staff in non-government schools.
5. Conducting a delegates' Conference.

INDEPENDENT EDUCATION UNION OF AUSTRALIA, WA BRANCH

ABN 59 914 290 495

Operating Results

The Union's profit for the year amounted to \$14,150 (2017: profit \$179,161).

Review of Operations

A review of the operations of the Branch during the financial year found that there were no significant changes in nature to these principal activities during the financial year.

Significant Changes in the State of Affairs

No matters or circumstances arose during the reporting year which significantly affected the financial affairs of the Branch.

After Balance Date Events

There are no significant events after balance date to be reported.

Member's Right to Resign

Members may resign from the Union by giving written notice to the Union in accordance with rule 21 of the rules of the Union, which states:

21 – RESIGNATION FROM MEMBERSHIP

- a. A member of the Union may resign from membership by written notice addressed and delivered to the relevant Branch Secretary
- b. A notice of resignation from membership takes effect:
 - i. Where the member ceases to be eligible to become a member of the Union.
 - a. on the day on which the notice is received by the Union; or
 - b. on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a memberwhichever is later; or
 - ii. In any other case:
 - a. at the end of two weeks after the notice is received by the organisation; or
 - b. on the day specified in the notice;whichever is later.
- c. Any dues payable and not paid by a former member in relation to a period before the member's resignation from the organisation took effect, may be sued for and recovered in the name of the Union, in a court of competent jurisdiction, as a debt due to the Union.
- d. A notice delivered to the person mentioned in subclause (a) shall be taken to have been received by the Union when it was delivered.
- e. A notice of resignation that has been received by the Union is not invalid because it was not addressed and delivered in accordance with Subclause (a).
- f. A resignation from membership of the Union is valid even if it is not effected in accordance with this section if the member is informed in writing by or on behalf of the Union that the resignation has been accepted.

INDEPENDENT EDUCATION UNION OF AUSTRALIA, WA BRANCH

ABN 59 914 290 495

OPERATING REPORT

Officers & employees who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee

Angela Briant, Secretary: (from February 2018 - 31 December 2018)

- (i) a director of WA Super, a superannuation entity and does not hold the position because a criterion for being the trustee or director is that the officer or employee is an officer or employee of the Union.

No other employee of the Union is:

- (i) a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (ii) a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

Membership of the Union

Number of members as at 31 December 2018: 4,576 (2017: 4,633).

Employees of the Union

At the end of the financial year the Union employed 16 Staff.

Officers & employees who are directors of a company of a member of a board

Name of Officer	Name of Company/Board	Principal Activity
Angela Briant	Director The Children's Book Council of Australia.	Support of Australian Children's and Young Adult Literature

Indemnification of Officer or Auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Union.

Proceedings on Behalf of the Union

No person has applied for leave of Court to bring proceedings on behalf of the Union or intervene in any proceedings to which the Union is a party for the purpose of taking responsibility on behalf of the Union for all or any part of those proceedings. The Union was not a party to any such proceedings during the year.

Wages Recovery Activity

The Union has not undertaken any recovery of wages activity for the financial year ended 31 December 2018.

Other Information

There is no other information that the Union considers relevant.

INDEPENDENT EDUCATION UNION OF AUSTRALIA, WA BRANCH

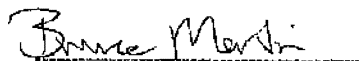
ABN 59 914 290 495

OPERATING REPORT

Auditor's Independent Declaration

A copy of the auditor's independence declaration is set out on page 8.

Signed in accordance with a resolution of the Committee of Members passed on the 8th day of May 2019.



Bruce Martin

President

8 May 2019

INDEPENDENT EDUCATION UNION OF AUSTRALIA, WA BRANCH

ABN 59 914 290 495

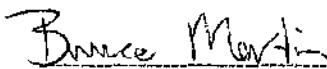
COMMITTEE OF MANAGEMENT STATEMENT

On the 8th day of May 2019 the Committee of Management of Independent Education Union of Australia WA Branch ("Union") passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2018:

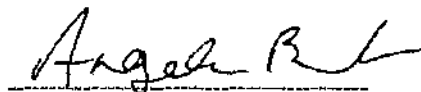
The Branch Committee of Management of the Independent Education Union of Australia WA Branch ("the Union") declares that in its opinion:

1. the financial statements and notes comply with the Australian Accounting Standards;
2. 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);
3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Union for the year which they relate;
4. there are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable; and
5. during the financial year to which the GPFR relates and since the end of that year:
 - a. meetings of the Executives/Committee of Management were held in accordance with the rules of the Union including the rules of branch concerned; and
 - b. the financial affairs of the Union have been managed in accordance with the rules of the Union;
 - c. the financial records of the Union have been kept and maintained in accordance with the RO Act; and
 - d. 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 consistent manner with each of the other reporting units of the organisations; and
 - e. where information has been sought in any request by a member of the Union or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
 - f. no orders for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

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



Bruce Martin
President



Angela Briant
Secretary

8 May 2019



Anderson Munro & Wyllie

CHARTERED ACCOUNTANTS, REGISTERED COMPANY
AUDITORS AND REGISTERED SMSF AUDITORS

Postal Address:

PO Box 229, JOONDALUP DC WA 6919

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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE MEMBERS OF
INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH**

As auditor for the audit of Independent Education Union of Australia WA Branch for the year ended 31 December 2018, I declare that, to the best of my knowledge and belief, during the year ended 31 December 2018 there has been:

- i. No contraventions of any applicable code of professional conduct in relation to the audit.

Anderson Munro & Wyllie

ANDERSON MUNRO & WYLLIE

Chartered Accountants

Martin Shone

Principal

Dated at Perth, Western Australia this 10th day of May 2019

INDEPENDENT EDUCATION UNION OF AUSTRALIA, WA BRANCH

ABN 59 914 290 495

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 \$	2017 \$
Revenue			
Membership Subscription		2,550,689	2,596,015
Capitation Fees	3A	-	-
Levies	3B	-	-
Interest	3C	1,761	5,969
Grants and/or donations	3D	-	-
Revenue from the Independent Education Union of Western Australia, Union of Employees	3E	-	-
Other Income	3F	19,561	26,358
Total income		<u>2,572,011</u>	<u>2,628,342</u>
Expenses			
Employee Expenses	4A	(1,712,723)	(1,567,012)
Capitation Fees	4B	(87,732)	(80,300)
ACTU Affiliation Fees	4C	(28,009)	(28,297)
Administration expenses	4D	(664,808)	(732,863)
Grants or donations	4E	-	-
Depreciation	4F	(8,942)	(2,136)
Finance costs	4G	(1,270)	(8,253)
Legal costs	4H	(35,000)	(18,976)
Audit fees	14	(19,377)	(10,984)
Other expenses	4I	-	(360)
		<u>(2,557,861)</u>	<u>(2,449,181)</u>
Net Profit Attributable to Members of the Union		<u>14,150</u>	<u>179,161</u>
Other comprehensive income		-	-
Total comprehensive income for the year attributable to members of the Union		<u>14,150</u>	<u>179,161</u>

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

INDEPENDENT EDUCATION UNION OF AUSTRALIA, WA BRANCH

ABN 59 914 290 495

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018**

	Note	2018 \$	2017 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	237,386	287,902
Trade and other receivables	5B	219,583	135,339
Other current assets	5C	9,448	9,141
Total current assets		466,417	432,382
Non-Current Assets			
Plant and equipment	6A	28,413	18,554
Total non-current assets		28,413	18,554
TOTAL ASSETS		494,830	450,936
LIABILITIES			
Current Liabilities			
Trade payables	7A	38,862	15,256
Other payables	7B	64,786	59,150
Employee provisions	8A	186,004	185,502
Total current liabilities		289,652	259,908
Non-Current Liabilities			
Employee provisions	8A	-	-
Total non-current liabilities		-	-
Total Liabilities		289,652	259,908
Net assets		205,178	191,028
EQUITY			
Retained Earnings		205,178	191,028
Total equity		205,178	191,028

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

INDEPENDENT EDUCATION UNION OF AUSTRALIA, WA BRANCH

ABN 59 914 290 495

STATEMENT OF CHANGES OF EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Retained Earnings	Total
	\$	\$
Balance at 31 December 2016	11,867	11,867
Surplus for the year	179,161	179,161
Balance at 31 December 2017	191,028	191,028
Surplus for the year	14,150	14,150
Balance at 31 December 2018	205,178	205,178

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

INDEPENDENT EDUCATION UNION OF AUSTRALIA, WA BRANCH

ABN 59 914 290 495

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018	2017
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt from members		2,550,689	2,596,015
Other income		19,561	27,799
Payment to national office	11B	(115,741)	(108,597)
Payment to suppliers		(2,406,825)	(2,077,576)
Interest received		1,761	4,529
Interest paid		(1,270)	(8,253)
Cash generated from operating activities	11A	<u>48,375</u>	<u>433,917</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash used			
Purchase of plant and equipment		(18,801)	(20,690)
Net cash used in investing activities		<u>(18,801)</u>	<u>(20,690)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Transfers to Independent Education Union of WA, Union of Employees		(80,090)	(135,933)
Cash used in financing activities		<u>(80,090)</u>	<u>(135,933)</u>
(Decrease)/increase in Cash and Cash Equivalents During the Year		(50,516)	277,294
Cash and Cash Equivalents at the Beginning of the Year		287,902	10,608
Cash and Cash Equivalents at the End of the Year	5A	<u>237,386</u>	<u>287,902</u>

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

INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

ABN 59 914 290 495

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

Note 1: Union Information

The financial report of Independent Education Union of Australia WA Branch ("Union") for the year ended 31 December 2018 was authorised for issue in accordance with a resolution of the Committee of Management.

The financial statements cover the Union as an individual entity. The Union is registered and domiciled in Western Australia.

The Union is a trade union which represents the professional and industrial interests of teachers and support staff employed in non-government schools within the state of Western Australia.

Note 2: Summary of Significant Accounting Policies

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 Union is a not-for-profit entity.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at 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 dollar.

Accounting Policies

(a) Revenue

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 as revenue in the year to which it relates.

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Income transferred from the Independent Education Union of Western Australia, Union of Employees is recognised when it is received.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

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

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

(b) Gains

Sale of Assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

ABN 59 914 290 495

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

Note 2: Summary of Significant Accounting Policies (Continued)

(c) Capitation Fees and Levies

Capitation fees and levies are recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

(d) Borrowing Costs

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

(e) Cash

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. Bank overdrafts are shown within short-term borrowings in current liabilities on the consolidated statement of financial position.

(f) Financial Instruments

Financial assets and financial liabilities are recognised when the Union becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(g) Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

ABN 59 914 290 495

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

Note 2: Summary of Significant Accounting Policies (Continued)

(g) Financial assets (Continued)

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Available-for-sale

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

ABN 59 914 290 495

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

Note 2: Summary of Significant Accounting Policies (Continued)

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Derecognition of financial assets

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

(h) Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

Note 2: Summary of Significant Accounting Policies (Continued)

(i) *Fair value through profit or loss*

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

(ii) *Other financial liabilities*

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

(iii) *Derecognition of financial liabilities*

The Union derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(i) **Contingent Liabilities and Contingent Assets**

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

Note 2: Summary of Significant Accounting Policies (Continued)

(j) Plant and Equipment

Asset Recognition Threshold

Purchase of plant and equipment are recognised initially at cost in the Statement of Financial Position.

Depreciation

Depreciable plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciate 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:

Plant and equipment	25%
Motor vehicles	22.5%

(k) Inventories on Hand

Inventories are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost or for nominal consideration are measured at the current replacement cost as at the date of acquisition.

(l) Impairment for Non-Financial Assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Union was deprived of the asset, its value in use is taken to be its depreciated replacement cost.

(m) Taxation

The Union 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.

(n) Comparative Figures

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

Note 2: Summary of Significant Accounting Policies (Continued)

(o) **Accounts Payable and Other Payables**

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(p) **Significant Accounting Judgements and Estimates**

The Committee of Management evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Union.

Key estimates

Impairment

Nil

Key judgments

Available-for-sale investments

Nil

(q) **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.

The accounting policies adopted are consistent with those of the previous financial year.

Future Australian Accounting Standards Requirements

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the Union. The Committee of Management have decided not to early adopt any of the new and amended pronouncements. Their assessment of the pronouncements that are relevant to the company but applicable in future reporting periods is set out below:

- **AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).**

The Standard will be applicable retrospectively (subject to the provisions of hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements of hedge accounting.

The key changes that may affect the Union on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model of hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to the hedging of non-financial items. Should the company elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

Although the Committee of Management anticipate that the adoption of AASB 9 may have an impact on the company's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

Note 2: Summary of Significant Accounting Policies (Continued)

- AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lease to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the Committee of Management anticipate that the adoption of AASB 16 will impact the Union's financial statements, it is impracticable at this stage to provide a reason estimate of such impact.

(r) 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 used 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.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(s) 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 which are expected to be settled within twelve months of the end of 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.

Other long-term employee benefits which are expected to be settled beyond twelve months 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

Note 2: Summary of Significant Accounting Policies (Continued)

(s) Employee Benefits (Continued)

Payments to be defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. The reporting unit recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

(t) Going Concern

The Branch is not reliant on financial support of another reporting unit to continue on a going concern basis.

The Branch provides no financial support to ensure another reporting unit can continue on a going concern basis.

INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

Note 3: Income

No income was received during the reporting period for Capitation Fees, Levies, Grants or Donations or support from another reporting unit of the organisation.

	2018	2017
	\$	\$
Note 3A: Capitation Fees	-	-
Note 3B: Levies	-	-
Note 3C: Interest		
Deposits	-	1,440
Bank Interest	1,761	4,529
	1,761	5,969
Note 3D: Grants or Donations	-	-
Note 3E: Transfers from Independent Education Union of Western Australia, Union of Employees	-	-
Note 3F: Other Income	19,561	26,359
Note 4: Expenses		
Note 4A: Employee expenses		
Holders of office:		
Wages and salaries	158,372	179,859
Superannuation	27,903	28,271
Leave and other entitlements	11,521	8,665
Separation and redundancies	-	-
Other employee expenses	17,583	14,253
Subtotal employee expenses holders of office	215,379	231,048
Employees other than office holders:		
Wages and salaries	1,136,744	1,018,172
Superannuation	163,419	131,663
Leave and other entitlements	183,690	183,334
Separation and redundancies	-	-
Other employee expenses	13,491	2,795
Subtotal employee expenses other than office holders	1,497,344	1,335,964
Total employee expenses	1,712,723	1,567,012

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	\$	\$
Note 4B: Capitation Fees		
Independent Education Union of Australia	<u>87,732</u>	<u>80,300</u>
Note 4C: ACTU Affiliation Fees		
Independent Education Union of Australia	<u>28,009</u>	<u>28,297</u>
Note 4D: Administration expenses		
Bank charges	1,432	3,598
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances – meeting and conferences	182	145
Conference and meeting expenses	72,766	85,901
Property expenses	70,850	86,590
Information communications technology	100,347	143,003
Office expenses	110,787	142,094
Unions WA Affiliation expenses	37,639	39,372
Seminars, training and staff professional learning	38,219	13,548
Publications and subscriptions	63,932	73,992
Vehicle expenses	27,375	20,030
Other	76,685	54,811
Subtotal administration expenses	<u>600,214</u>	<u>663,084</u>
Operating lease rentals:		
Photocopier lease	34,664	32,356
Lease charges paid to Independent Education Union of WA, Union of Employees for use of assets	29,930	37,423
Total administration expense	<u>664,808</u>	<u>732,863</u>
Operating lease contracted for but not recognised in the financial statements		
Photocopier lease – minimum lease payments		
- not later than 12 months	24,800	24,800
- between 12 months and five years	6,200	31,000
- later than five years	-	-
	<u>31,000</u>	<u>58,000</u>

The maximum term of the photocopier lease is 41 months from 1 November 2016. The increase in lease commitments may occur if the total volume of prints exceed the agreed volume per the contract.

INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

Note 4D: Administration expenses (cont'd)

Lease charges paid to Independent Education Union of WA, Union of Employees for use of assets

The Independent Education Union of Australia, WA branch have entered into an arrangement with the Independent Education Union of WA, Union of Employees for the use of the motor vehicles and office equipment owned by the latter. There is no end term to the lease, the rates are determined at market rates.

	2018	2017
	\$	\$
Note 4E: Grants or Donations		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total grants or donations	-	-

Note 4F: Depreciation

Depreciation		
Motor vehicles	7,809	1,301
Office equipment	1,133	835
Total depreciation	8,942	2,136

Note 4G: Finance costs

Interest expenses	1,270	8,253
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Note 4H: Legal costs

Litigation	9,532	14,910
Other legal matters	25,468	4,066
Total legal costs	35,000	18,976

Note 4I: Other expenses

Penalties – via RO Act or RO Regulations	-	360
	-	360

Note 5: CURRENT ASSETS

Note 5A: Cash and Cash Equivalents

Cash at bank	173,683	224,199
Term deposit	63,703	63,703
Total cash and cash equivalents	237,386	287,902

INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
Note 5B: Trade and Other Receivables	\$	\$
Receivables from other reporting units		
Independent Education Union of WA, Union of Employees	215,429	135,339
Total receivables from other reporting units	215,429	135,339
Less provision for doubtful debts	-	-
Receivables from other reporting units (net)	215,429	135,339
Note 5B: Trade and Other Receivables		
Other receivables:		
- GST receivable from the Australian Taxation Office	-	-
- Other receivables	4,154	-
Total other receivables	4,154	-
Total trade and other receivables	219,583	135,339
Note 5C: Other Current Assets		
Prepayments	9,448	9,141
Total other current assets	9,448	9,141
Note 6: Non-current Assets		
Note 6A: Plant and equipment		
Motor vehicles		
Cost	34,707	17,350
Accumulated depreciation	(9,110)	(1,301)
Total motor vehicles	25,597	16,049
Office equipment		
Cost	4,784	3,340
Accumulated depreciation	(1,968)	(835)
Total office equipment	2,816	2,505
Total plant and equipment	28,413	18,554

INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

Note 6A: Plant and equipment (cont'd)

Reconciliation of Opening and Closing Balances of Plant and Equipment

Movements during the year	2018			2017		
	Motor Vehicles \$	Office equipment \$	Total \$	Motor Vehicles \$	Office equipment \$	Total \$
Balance at the beginning of the year	16,049	2,505	18,554	-	-	-
Additions during the year	17,357	1,444	18,801	17,350	3,340	20,690
Disposals during the year	-	-	-	-	-	-
Depreciation for the year	(7,809)	(1,133)	(8,942)	(1,301)	(835)	(2,136)
Balance at the end of the year	25,597	2,816	28,413	16,049	2,505	18,554

2018 2017
\$ \$

Note 7: Current Liabilities

Note 7A: Trade Payables

Trade creditors and accruals	38,862	15,256
Payables to other reporting units		
Independent Education Union of WA, Union of Employees	-	-
Total trade payables	38,862	15,256

Note 7B: Other Payables

Consideration to employers for payroll deductions	-	-
Legal costs		
Litigation	-	-
Other legal matters	-	-
GST Payable	8,710	12,324
PAYG withholding	35,088	38,482
Other	20,988	8,344
Total other payables	64,786	59,150
Total trade and other payables	103,648	74,406

Trade and other payables are unsecured and are generally traded on 30 - 90 days credit terms.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	\$	\$
Note 8: Provisions		
Note 8A: Employee Provisions		
Office Holders:		
Annual leave	44,668	39,900
Long service leave	27,214	19,567
Separation and redundancies	-	-
Other employee provisions	-	-
Subtotal employee provisions – office holders	71,882	59,487
Employees other than office holders:		
Annual leave	72,246	61,513
Long service leave	41,876	64,502
Separation and redundancies	-	-
Other employee provisions	-	-
Subtotal employee provisions – employees other than office holders	114,122	126,015
Total employee provisions	186,004	185,502
Current	186,004	185,502
Non-current	-	-
Total employee provisions	186,004	185,502
Note 9: Other Specific Disclosures – Funds	-	-

Note 10: Segment Information

The Union operates in one business and one geographic segment. Hence no separate segment information has been provided.

INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	\$	\$
Note 11: Cash Flow		
Note 11A: Cash Flow Reconciliation		
Reconciliation of profit to net cash from operating activities:		
Profit for the year	14,150	179,161
Adjustments for non-cash items		
Depreciation	8,942	2,136
Changes in assets/liabilities		
– (Increase)/decrease in trade and other receivables and prepayments	(4,465)	(9,157)
– Increase/(decrease) in trade and other payables	29,246	76,275
– Increase/(decrease) in employee provisions	502	185,502
Net cash generated from operating activities	<u>48,375</u>	<u>433,917</u>
 Note 11B: Cash flow Information		
Cash inflows		
Transfers from IEUWA savings to cover capitation fees payment	-	-
Other income	-	-
Total cash inflows	<u>-</u>	<u>-</u>
 Cash outflows		
Capitation fees to IEUA	(87,732)	(80,300)
Australian Council of Trade Union Affiliation fees & levy	(28,009)	(28,297)
Total cash outflows	<u>(115,741)</u>	<u>(108,597)</u>

Note 12: Related Party Disclosures

The Independent Education Union of WA, Union of Employees is a trade union which represents the industrial interests of the career private industry teachers and other education staff employed within the state of Western Australia. The Union is a trade union which is incorporated and domiciled in Australia. Previously the Independent Education Union of WA, Union of Employees provided financial and other resource support. On 1 January 2017 operations transferred to the IEU WA Branch. Following a transition period during which the financial and bank arrangements were set in place, the Branch has been self-reliant and funded and does not require financial support from the Independent Education Union of WA, Union of Employees.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

Note 12A: Related Party Transactions for the Period

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

	2018	2017
	\$	\$
Revenue received from the following:		
- Independent Education Union of WA (Union of Employees)	-	-
	<u>-</u>	<u>-</u>
Expenses paid to the following:		
Independent Education Union of Australia	(87,732)	(80,300)
Australian Council of Trade Unions	(28,009)	(28,297)
	<u>(115,741)</u>	<u>(108,597)</u>
Amounts generated by the following:		
Membership fees received by the Independent Education Union of WA (Union of Employees)	880,429	1,028,824
	<u>880,429</u>	<u>1,028,824</u>
Amounts transferred from the following:		
- Independent Education Union of WA (Union of Employees)	665,000	893,485
	<u>665,00</u>	<u>893,485</u>
Amounts owed by the following:		
- Independent Education Union of WA (Union of Employees)	215,429	135,339
	<u>215,429</u>	<u>135,339</u>

The terms of the amounts owed and transferred from the related party are as per Note 12 above. There have been no guarantees required or provided by the Branch for any of the amounts owed or transferred from the related party.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

Note 12B: Key Management Personnel Remuneration for the Reporting Period

	2018	2017
	\$	\$
Short-term employee benefits		
Salary	188,097	188,223
Annual leave accrued	37,694	29,339
Performance bonus	-	-
Total short-term employee benefits	225,791	217,562
Post-employment benefits:		
Superannuation	27,903	28,271
Total post-employment benefits	27,903	28,271
Other long-term benefits:		
Long-service leave	22,965	16,529
Total other long-term benefits	22,965	16,529
Termination benefits	-	-
Share based payments	-	-
Total	276,659	262,362

Note 13: Commitments and Contingencies

Capital commitments

As at 31 December 2018 the Union has no material commitments or contingencies.

Note 14: Remuneration of Auditors

Value of the services provided

- Financial statement audit services	18,277	10,984
- Other services	1,100	-
Total remuneration of auditors	19,377	10,984

Other services provided by the auditors included the membership audit.

Note 15: Events after the reporting period

There were no events that occurred after 31 December 2018, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Branch.

INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

Note 16: Financial Risk Management

The Union's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, bank loans and overdrafts.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2018	2017
	\$	\$
Financial assets		
Cash and cash equivalents	237,386	287,902
Trade and other receivables	219,583	135,339
Total financial assets	456,969	423,241
Financial liabilities		
Trade and other payables	103,648	74,406
Total financial liabilities	103,648	74,406

The Committee's overall risk management strategy seeks to assist the Union in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Committee on a regular basis. These include the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for the operations. The Union does not have any derivative instruments at 31 December 2018.

Specific Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk.

There have been no substantive changes in the types of risks the Union is exposed to, how these risks arise, or the Committee's objectives, policies and processes for managing or measuring the risks from the previous period.

(i) Credit risk

The Union is exposed to credit risk on account of (a) default by individual members to pay their maximum membership fee; and (b) default by tenants to pay for the rent charges.

The Union's maximum exposure to credit risk is the carrying amount of trade and other receivable at reporting date.

The credit risk is managed by ensuring that (a) membership dues are deducted by the employers as part of the payroll processing; and (b) rental dues are invoiced in advance prior to occupancy.

The Union does not monitor the credit risks in relation to cash and cash equivalent, which are transacted through creditworthy financial institutions. The management believes that these institutions are being subject to strict prudential norms imposed by Legislation, Reserve Bank and other regulatory authorities.

(ii) Liquidity risk

Liquidity risk is the risk that the Union will encounter difficulties in meeting the contractual obligations of its financial liabilities (principally due to shortage of funds).

Liquidity risk is kept continually under review and managed to ensure that cleared funds are held to meet the obligations on the respective due dates.

INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

Note 16: Financial Risk Management (cont'd)

Specific Financial Risk Exposures and Management

(ii) Liquidity risk

Liquidity risk is managed through:

- (a) Monitoring short term forecasted in-flows and the committed cash outflows of financial liabilities;
- (b) Monitoring the unused withdrawal facilities with banks.

The tables below reflect an undiscounted contractual maturity analysis for non-derivative financial liabilities. The Union does not hold directly any derivative financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade and other payables	103,648	74,406	-	-	-	-	103,648	74,406
Total expected outflows	103,648	74,406	-	-	-	-	103,648	74,406
Financial Assets — cash flows realisable								
Cash and cash equivalents	237,386	287,902	-	-	-	-	237,386	287,902
Trade and other receivables	219,583	135,339	-	-	-	-	219,583	135,339
Total anticipated inflows	456,969	423,241	-	-	-	-	456,969	423,241
Net (outflow)/inflow on financial instruments	353,321	348,835	-	-	-	-	353,321	348,835

(iii) Market risk

(a) Interest rate risk

Interest rate risk is the risk that the fair values and cash-flows of Union's financial instruments will be affected by changes in the market interest rates.

The management of the Union believes that the risk of interest rate movement would not have material impact on Union's operations.

(b) Other price risk

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of securities held.

Sensitivity analysis

The following table illustrates sensitivities to the Union's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

Note 16: Financial Risk Management (cont'd)

Specific Financial Risk Exposures and Management

Sensitivity analysis

These sensitivities assume that the movement in a particular variable is independent of other variables

	Profit	Equity
	\$	\$
Year ended 31 December 2018		
+/-1% in interest rates	-	-
Year ended 31 December 2017		
+/-1% in interest rates	-	-

No sensitivity analysis has been performed on foreign exchange risk as the Union has no material exposures to currency risk.

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair value may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair values is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Union. Most of these instruments, which are carried at amortised cost (ie accounts receivables, loan liabilities), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Union.

INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

Note 16: Financial Risk Management (Continued)

	Note	2018		2017	
		Carrying Value	Fair Value	Carrying Value	Fair Value
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	(i)	237,386	237,386	287,902	287,902
Trade and other receivables	(i)	219,583	219,583	135,339	135,339
Total financial assets		456,969	456,969	423,241	423,241
Financial liabilities					
Trade and other payables	(i)	103,648	103,648	74,406	74,406
Total financial liabilities		103,648	103,648	74,406	74,406

The fair values disclosed in the above table have been determined based on the following methodologies:

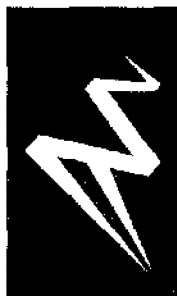
- (i) Cash and cash equivalents, accounts receivable and other debtors and accounts payable and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables excludes amounts provided for annual leave, which is outside the scope of AASB 139.

Note 17: 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 reads as follows:

Information to be provided to members or Commissioner:

- (1) 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.
- (2) 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.
- (3) A reporting unit must comply with an application made under subsection (1).



Anderson Munro & Wyllie

CHARTERED ACCOUNTANTS, REGISTERED COMPANY
AUDITORS AND REGISTERED SMSF AUDITORS

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

Opinion

I have audited the accompanying financial report of Independent Education Union of Australia WA branch ("the Union") which comprises the statement of financial position as at 31 December 2018, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes, the Committee of Management Statement, and the subsection 255(2A) report.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Independent Education Union of Australia WA Branch, as at 31 December 2018, and its financial performance and its cash flows for the year ended on that date in accordance with:

- (a) the Australian Accounting Standards; and
- (b) 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).

I declare that management's use of the going concern basis in the preparation of the financial statements of the Union is appropriate.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Union 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Union 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 Union'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 Union or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility

My 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 my 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, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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.
- 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 Union'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 Union's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Union 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 Union to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Union audit. I remain solely responsible for my audit opinion.

I 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 I identify during my audit.

I declare that I am an approved auditor, a member of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

Anderson Munro + Wyllie

ANDERSON MUNRO & WYLLIE

Chartered Accountants

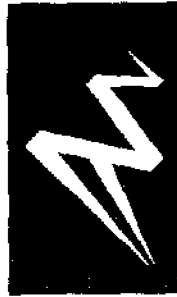
Address: Unit 8, 210 Winton Road, Joondalup, Western Australia

MARTIN SHONE

Principal & Registered Company Auditor

RO Registration number AA2017/8

Dated at Perth, Western Australia this 10th day of May 2019



Anderson Munro & Wyllie

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INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

STATEMENT OF RECOVERY OF WAGES

Based on representations made to us by the Independent Education Union of Australia WA Branch and our work undertaken for the year ended 31 December 2018, it appears that there was no recovery of wages activities occurred in the reporting period.

Anderson Munro + Wyllie

ANDERSON MUNRO & WYLLIE

Chartered Accountants

Address: Unit 8, 210 Winton Road, Joondalup, Western Australia

MARTIN SHONE

Principal & Registered Company Auditor

RO Registration number AA2017/8

Dated at Perth, Western Australia this 10th day of May 2019