



30 June 2021

Mark Northam  
Secretary, NSW/ACT Branch  
Independent Education Union of Australia

Dear Mark Northam

**Re: – Financial reporting – Independent Education Union of Australia, NSW/ACT Branch  
- for year ending 31 December 2020 (FR2020/313)**

I refer to the financial report of the NSW/ACT Branch of the Independent Education Union of Australia for the year ending 31 December 2020. The documents were lodged with the Registered Organisations Commission ('ROC') on 23 June 2021.

The financial report has been filed. The financial report was filed based on a primary review. This involved confirming whether the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

You are not required to take any further action in relation to the 2020 report. Please note the report for year ending 31 December 2021 may be subject to an advanced compliance review.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements. The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 Reporting Guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

Yours faithfully

A handwritten signature in black ink, appearing to read "Stephen Kellett".

Stephen Kellett  
Financial Reporting  
Registered Organisations Commission

Independent Education Union of Australia New South Wales / Australian Capital Territory Branch  
ABN : 91 925 561 384

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s.268 Fair Work (Registered Organisations) Act 2009

## Certificate by prescribed designated officer

Certificate for the year ended 31 December 2020

I, Mark Northam, being the Secretary of the Independent Education Union of Australia NSW/ACT Branch certify:

- that the documents lodged herewith are copies of the full report for the Independent Education Union of Australia NSW/ACT Branch for the period ended 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 11 May 2021; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 18 June 2021 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer:



Name of prescribed designated officer: Mark Northam

Title of prescribed designated officer: Secretary

Dated: 23 June 2021

**Independent Education Union of Australia  
New South Wales/Australian Capital Territory Branch**

ABN: 91 925 561 384

**Financial Statements**

For the Year Ended 31 December 2020

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For the Year Ended 31 December 2020

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## Operating Report

31 December 2020

The Committee of Management, presents their report together with the financial statements of the reporting unit, the operating report of the Independent Education Union of Australia New South Wales/Australian Capital Territory Branch ("the Branch") for the financial year ended 31 December 2020.

### Names of Committee of Management members and positions held during the financial year

Name	Position	Period of appointment
Mark Northam	Secretary	January 2020 - December 2020
Carol Matthews	Deputy Secretary	January 2020 - December 2020
William Griffiths	Assistant Secretary	January 2020 - December 2020
Pamela Smith	Assistant Secretary	January 2020 - December 2020
Christine Wilkinson	President	January 2020 - December 2020
Bruce Paine	Vice President (Non-Systemic)	January 2020 - December 2020
Bernadette Baker	Vice President (Systemic)	January 2020 - December 2020
Gabrielle Connell	Vice President (Early Childhood Services)	January 2020 - December 2020
Carolyn Collins	Vice President (Support Staff)	January 2020 - December 2020
Angela McDonald	Vice President (ACT)	January 2020 - December 2020
Denise McHugh	Financial Officer	January 2020 - December 2020
Peter Moore	Financial Officer	January 2020 - December 2020
Phoebe Craddock-Lovett	General Executive Member	January 2020 - December 2020
Simon Goss	General Executive Member	January 2020 - December 2020
Libby Lockwood	General Executive Member	January 2020 - December 2020
Anna Luedi	General Executive Member	January 2020 - December 2020
Amy Mead	General Executive Member	January 2020 - December 2020
John O'Neil	General Executive Member	January 2020 - December 2020
Suzanne Penson	General Executive Member	January 2020 - December 2020
Tina Ruello	General Executive Member	January 2020 - December 2020
Helen Templeton	General Executive Member	January 2020 - December 2020

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

The principal activities of the Branch during the year was those activities included, but were not limited to:

- the provision of services to members;
- the representation of members before Fair Work Australia on award matters; and
- the provision of support for the Federal Union agenda in education, equity and industrial issues.



## Operating Report

31 December 2020

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

The Branch's principal activities resulted in:

- the maintenance and improvement of wages and conditions of employment for our members, especially those covered by collective bargaining agreements negotiated by our Branch.
- growth of our solid membership base in New South Wales/Australian Capital Territory, demonstrating member satisfaction of the support and advice currently provided to them.
- review of the operations and the results of the Branch is performed on the regular meetings of the Committee of Management. The Committee of Management believe they have furthered the interests of their members throughout the year through the conducting of the Branch's principal activities.
- the operating surplus of the Branch for the year ended 31 December 2020 was \$2,735,872 (2019: \$663,291) and the Committee Management believe that the activities of the Branch have achieved their objectives for the year.
- During the year the New South Wales Independent Education Union was deregistered and the assets and liabilities were transferred to the Branch for nil consideration.

There were no other significant changes to the nature of the Branch's activities during the year.

### Number of members

The number of members of the Branch at the end of the financial year was 30,973 (2019: 29,690).

### Right of members to resign

Members retain the right to resign from the Independent Education Union of Australia New South Wales/Australian Capital Territory Branch in accordance with section 10 of the Federal Rules and Section 174 of the *Fair Work (Registered Organisations) Act 2009* ("the RO Act"). In accordance with Section 174(1) of the RO Act a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.

### Number of employees

The total number of full time equivalent employees as at 31 December 2020 was 68 (2019: 67).

## Operating Report

31 December 2020

Officers or members who are superannuation fund trustees or director of a company that is a superannuation fund trustee being a member or officer of a registered organisation is a criterion for them holding such position

Name	Position	Period
John Quesy	Alternate Directors of NGS Super Pty Ltd	January 2020 - June 2020
	Director of NGS Super Pty Ltd	July 2020 - December 2020
Gloria Taylor	Director of NGS Super Pty Ltd	January 2020 - June 2020
Christine Wilkinson	Director of NGS Super Pty Ltd	January 2020 - December 2020

The criterion for being a trustee or director is that officer or employee is an officer or employee of the Branch.

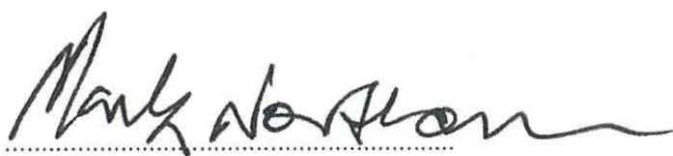
### Significant changes in financial affairs

There have been no significant changes in the state of affairs of the Branch during the year.

### Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Branch, the results of those operations or the state of affairs of the Branch in future financial years.

Signed in accordance with a resolution of the Branch Executive:



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Mark Northam

Secretary

Dated: 7 May 2021

## Committee of Management Statement

On 7 May 2021 the Committee of Management of the Independent Education Union of Australia New South Wales/Australian Capital Territory Branch ("the Branch"), passed the following resolution in relation to the general purpose financial report of the Branch for the year ended 31 December 2020:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* ("the RO Act");
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Branch for the financial year ended 31 December 2020;
- (d) there are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the general purpose financial report 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 the Branch concerned; and
  - ii) the financial affairs of the Branch have been managed in accordance with the rules of the organisation including the rules of the Branch concerned; and
  - iii) the financial records of the Branch have been kept and maintained in accordance with the RO Act; and
  - iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
  - v) where information has been sought in any request by a member of the Branch or Commissioner duly made under section 272 of the RO Act that information has been provided to the member or Commissioner; and
  - vi) where any order 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.



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Mark Northam

Secretary

Dated: 7 May 2021



## Independent Education Union of Australia New South Wales /Australian Capital Territory Branch

ABN: 91 925 561 384

### Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2020

	Note	2020 \$	2019 \$
Membership fees received	4	15,759,498	14,757,205
Other income	4	590,679	565,160
		<b>16,350,177</b>	15,322,365
Employee costs	5	(10,046,224)	(10,171,690)
Affiliation and capitation fees		(878,567)	(915,444)
Printing and publication expense		(507,172)	(508,976)
Information technology expenses		(421,783)	(409,739)
Depreciation expense		(358,851)	(15,261)
Property expenses		(278,337)	(257,788)
Meetings, conferences and events		(208,602)	(857,106)
Insurance expense		(146,551)	(161,960)
Motor vehicle expense		(132,597)	(143,089)
Legal costs	5	(120,144)	(355,552)
Commission expense		(95,662)	(91,719)
Finance costs		(62,227)	(55,767)
Lease expenses	11	(61,857)	(51,436)
Training expense		(28,927)	(65,729)
Donation expense	5	(2,200)	(1,950)
Campaign costs		-	(189,065)
Other expenses		(264,604)	(406,803)
<b>Result for the year</b>		<b>2,735,872</b>	663,291

The accompanying notes form part of these financial statements.

## Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2020

	Note	2020 \$	2019 \$
<b>Result for the year</b>		<u>2,735,872</u>	<u>663,291</u>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Amalgamation of business	23	<u>23,284,191</u>	-
Other comprehensive income for the year		<u>23,284,191</u>	-
<b>Total comprehensive income for the year</b>		<u><u>26,020,063</u></u>	<u><u>663,291</u></u>

The accompanying notes form part of these financial statements.

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## Independent Education Union of Australia New South Wales /Australian Capital Territory Branch

ABN: 91 925 561 384

### Balance Sheet

As at 31 December 2020

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	8,051,712	8,166,233
Trade and other receivables	7	423,296	240,026
Other assets	8	588	1,231
Non-current assets held for sale	9	1,180,000	-
<b>TOTAL CURRENT ASSETS</b>		<b>9,655,596</b>	<b>8,407,490</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets	10	4,016,102	-
Right-of-use assets	11	122,954	173,044
Property, plant and equipment	12	21,196,460	397,833
<b>TOTAL NON-CURRENT ASSETS</b>		<b>25,335,516</b>	<b>570,877</b>
<b>TOTAL ASSETS</b>		<b>34,991,112</b>	<b>8,978,367</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	647,391	560,242
Lease liabilities		50,152	47,208
Other financial liabilities	14	386,425	519,946
Employee benefits	15	4,313,615	4,229,473
<b>TOTAL CURRENT LIABILITIES</b>		<b>5,397,583</b>	<b>5,356,869</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		76,797	126,527
Employee benefits	15	10,030	8,332
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>86,827</b>	<b>134,859</b>
<b>TOTAL LIABILITIES</b>		<b>5,484,410</b>	<b>5,491,728</b>
<b>NET ASSETS</b>		<b>29,506,702</b>	<b>3,486,639</b>
<b>EQUITY</b>			
Amalgamation reserve	16	23,284,191	-
Retained earnings		6,222,511	3,486,639
<b>TOTAL EQUITY</b>		<b>29,506,702</b>	<b>3,486,639</b>

The accompanying notes form part of these financial statements.

Independent Education Union of Australia New South Wales /Australian Capital Territory Branch

ABN: 91 925 561 384

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**Statement of Changes in Equity**

For the Year Ended 31 December 2020

	Note	Retained Earnings \$	Amalgamation Reserve \$	Total \$
Balance at 1 January 2020		3,486,639	-	3,486,639
Result for the year		2,735,872	-	2,735,872
Other comprehensive income	23	-	23,284,191	23,284,191
<b>Balance at 31 December 2020</b>		<b>6,222,511</b>	<b>23,284,191</b>	<b>29,506,702</b>
Balance at 1 January 2019		2,823,348	-	2,823,348
Result for the year		663,291	-	663,291
<b>Balance at 31 December 2019</b>		<b>3,486,639</b>	<b>-</b>	<b>3,486,639</b>

The accompanying notes form part of these financial statements.



## Independent Education Union of Australia New South Wales /Australian Capital Territory Branch

ABN: 91 925 561 384

### Statement of Cash Flows

For the Year Ended 31 December 2020

	2020	2019
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from members and other revenue received	17,575,448	17,276,240
Payments to suppliers and employers	(14,634,025)	(15,686,438)
Interest received	43,182	56,914
Interest paid	(8,846)	-
Net cash provided by/(used in) operating activities	24 <u>2,975,759</u>	<u>1,646,716</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(380,946)	(413,095)
Transfer of cash on amalgamation	23 793,899	-
Purchase of held to maturity assets	<u>(3,453,526)</u>	-
Net cash provided by/(used in) investing activities	<u>(3,040,573)</u>	<u>(413,095)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of lease liabilities - principal repayments	<u>(49,707)</u>	<u>(48,284)</u>
Net cash provided by/(used in) financing activities	<u>(49,707)</u>	<u>(48,284)</u>
Net increase/(decrease) in cash and cash equivalents held	(114,521)	1,185,337
Cash and cash equivalents at beginning of year	<u>8,166,233</u>	<u>6,980,896</u>
Cash and cash equivalents at end of financial year	6 <u><u>8,051,712</u></u>	<u><u>8,166,233</u></u>

The accompanying notes form part of these financial statements.

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 1 Basis of preparation of the financial statements

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 Organisations) Act 2009*. For the purpose of preparing the general purpose financial statements, the Branch is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities 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 dollars.

Comparatives are consistent with prior years, unless otherwise stated.

### 2 Summary of Significant Accounting Policies

#### (a) Business combinations

Business combinations are accounted for by applying the acquisition method which requires an acquiring entity to be identified in all cases. The acquisition date under this method is the date that the acquiring entity obtains control over the acquired entity.

The fair value of identifiable assets and liabilities acquired are recognised in the consolidated financial statements at the acquisition date.

Goodwill or a gain on bargain purchase may arise on the acquisition date, this is calculated by comparing the consideration transferred and the amount of non-controlling interest in the acquiree with the fair value of the net identifiable assets acquired. Where consideration is greater than the net assets acquired, the excess is recorded as goodwill. Where the net assets acquired are greater than the consideration, the measurement basis of the net assets are reassessed and then a gain from bargain purchase recognised in profit or loss.

All acquisition-related costs are recognised as expenses in the periods in which the costs are incurred except for costs to issue debt or equity securities.

Any contingent consideration which forms part of the combination is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity then it is not remeasured and the settlement is accounted for within equity. Otherwise subsequent changes in the value of the contingent consideration liability are measured through profit or loss.

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 2 Summary of Significant Accounting Policies

#### (b) Revenue and other income

##### *Revenue from contracts with customers*

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Branch expects to receive in exchange for those goods or services.

Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer;
2. Identify the performance obligations;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations; and
5. Recognise revenue as and when control of the performance obligations is transferred.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Branch have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

##### **Specific revenue streams**

The revenue recognition policies for the principal revenue streams of the Branch are:

##### *Membership income*

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the Branch.

There is only one distinct membership service promised in the arrangement. Accordingly, the Branch recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Branch promise to stand ready to provide assistance and support to the member as required.

When a member subsequently purchases additional goods or services from the Branch at their standalone selling price, the Branch accounts for those sales as a separate contract with a customer.



## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 2 Summary of Significant Accounting Policies

#### (b) Revenue and other income

##### Specific revenue streams

##### *Other professional services*

The Branch provides other professional services to members in the form of events and advertising. These are fixed price contracts. Revenue is recognised over the period of when the service is performed.

##### *Government COVID-19 stimulus income*

Income is recognised in the period it is earned. This is generally consistent with when payment is received for the cash flow boost and small business grant. For JobKeeper payments this is based on when amounts are receivable.

##### *Rental income*

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Branch and specific criteria relating to the type of revenue has been satisfied.

##### *Interest revenue*

Interest is recognised using the effective interest rate method.

#### (c) Income Tax

The Branch is exempt from income tax under section 50.1 of the *Income Tax Assessment Act 1997* however still has obligations for Payroll Tax, Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).



## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 2 Summary of Significant Accounting Policies

#### (d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### (e) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

##### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Branch, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2.5% - 5%
Plant and Equipment	15% - 30%
Furniture, Fixtures and Fittings	15 - 30%
Motor Vehicles	25%
Computer Software	25%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 2 Summary of Significant Accounting Policies

#### (f) Leases

At inception of a contract, the Branch assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Branch has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Branch has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

#### Separate lease and non-lease components

#### Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

#### (i) Right-of-use asset

At the lease commencement, the Branch recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Branch believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 2 Summary of Significant Accounting Policies

(f) Leases

(ii) Lease liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Branch's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Branch's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

*Exceptions to lease accounting*

The Branch has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Branch recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(g) Capitation fees and levies

Capitation fees and levies are recognised on an accruals basis and recorded as an expense in the year to which it relates.

(h) Cash and cash equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts.



## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 2 Summary of Significant Accounting Policies

#### (i) Financial instruments

Financial instruments are recognised initially on the date that the Branch becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through-profit or loss where transaction costs are expensed as incurred).

#### Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### *Classification*

On initial recognition, the Branch classifies its financial assets into the following categories, those measured at:

- amortised cost; and
- fair value through profit or loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Branch changes its business model for managing financial assets.

#### *Amortised cost*

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Branch's financial assets measured at amortised cost comprise trade and other receivables, cash and cash equivalents and financial assets in the balance sheet.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.



## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 2 Summary of Significant Accounting Policies

#### (i) Financial instruments

##### Financial assets

##### *Financial assets through profit or loss*

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

##### *Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Branch considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Branch's historical experience and informed credit assessment and including forward looking information.

The Branch uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Branch uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Branch in full, without recourse to the Branch to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Branch in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

##### *Trade receivables*

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Branch has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 2 Summary of Significant Accounting Policies

#### (i) Financial instruments

##### Financial assets

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Branch renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

##### *Other financial assets measured at amortised cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

##### Financial liabilities

The Branch measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Branch comprise trade and other payables and lease liabilities.

#### (j) Impairment of non-financial assets

At the end of each reporting period the Branch determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 2 Summary of Significant Accounting Policies

#### (j) Impairment of non-financial assets

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

#### (k) Employee benefits

##### *Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

##### *Other long-term employee benefit obligations*

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.



## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 2 Summary of Significant Accounting Policies

(l) **Adoption of new and revised accounting standards**

The Branch has adopted all standards which became effective for the first time at 31 December 2020, and the adoption of these standards has not caused any material adjustments to the reported financial position or performance.

(m) **New Accounting Standards and Interpretations**

Certain new accounting standards have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the Branch. These standards are not expected to have a material impact on the Branch in the current or future reporting periods and on foreseeable future transactions.



## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 3 Critical Accounting Estimates and Judgments

The Committee of Management make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below:

#### *Key estimates - impairment of property, plant and equipment*

The Branch assesses impairment at the end of each reporting period by evaluating conditions specific to the Branch that may be indicative of impairment triggers.

#### *Key estimates - useful lives of depreciable assets*

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain property, plant and equipment.

#### *Key estimates - employee entitlements*

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

#### *Key estimates - receivables*

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 4 Revenue and Other Income

	2020	2019
	\$	\$
<b>Revenue from contracts with customers</b>		
- Membership income	<u>15,759,498</u>	<u>14,757,205</u>
<b>Other income</b>		
- Publication income	160,097	309,332
- Rental income	108,324	-
- Directors fees	101,745	99,062
- Government COVID stimulus income	100,000	-
- Interest income	43,182	56,914
- Other income	<u>77,331</u>	<u>99,852</u>
	<u>590,679</u>	<u>565,160</u>

#### (a) Disaggregation of revenue from contracts with customers

Revenue from contracts with customers has been disaggregated and the following table shows this breakdown:

<b>Timing of revenue recognition</b>		
- Over time	15,759,498	14,757,205
- At a point in time	-	-
<b>Revenue from contracts with customers</b>	<u>15,759,498</u>	<u>14,757,205</u>

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 5 Result for the Year

	2020	2019
	\$	\$
<b>Employee Expenses</b>		
<i>Office holders*</i>		
Wages and salaries	1,691,528	1,971,985
Superannuation	220,640	263,767
Leave and other entitlements	(459,830)	568,070
Other employee expenses (Fringe benefits and payroll tax)	118,295	198,224
	<u>1,570,633</u>	<u>3,002,046</u>
<i>Employees other than office holders</i>		
- Wages and salaries	6,619,101	6,014,656
- Superannuation	848,151	753,376
- Leave and other entitlements	545,671	52,467
- Other employee expenses (Fringe benefits and payroll tax)	462,668	349,145
	<u>8,475,591</u>	<u>7,169,644</u>
	<u>10,046,224</u>	<u>10,171,690</u>
* Office holders are defined by the RO Act.		
<b>Legal Costs</b>		
Litigation	97,334	340,434
Other Legal Matters	22,810	15,118
	<u>120,144</u>	<u>355,552</u>
<b>Grants &amp; donations</b>		
Grants - total paid that exceeded \$1,000	9,000	-
	<u>9,000</u>	<u>-</u>
Donations - total paid that were \$1,000 or less	2,200	1,950
	<u>2,200</u>	<u>1,950</u>

## Independent Education Union of Australia New South Wales /Australian Capital Territory Branch

ABN: 91 925 561 384

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### Notes to the Financial Statements

For the Year Ended 31 December 2020

#### 5 Result for the Year

	2020	2019
	\$	\$
<b>Affiliation fees</b>		
Independent Education Union of Australia	186,777	200,108
Unions NSW	78,034	81,220
Welfare Right Centre	13,838	13,838
Unions ACT	12,216	11,880
Newcastle Trade Hall Council	3,229	3,178
South Coast Labor Council	3,326	3,272
Workers Health Centre	1,653	1,625
	<u>299,073</u>	<u>315,121</u>
Capitation fees - Independent Education Union of Australia	579,494	600,323
Consideration to employers for payroll deductions of membership subscriptions	95,662	91,719
Conference and meeting expenses	142,325	591,164
Fees/allowances - meeting and conferences	66,276	265,942

#### 6 Cash and Cash Equivalents

Cash at bank and on hand	<u>8,051,712</u>	<u>8,166,233</u>
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## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 7 Trade and Other Receivables

	2020	2019
	\$	\$
Trade receivables from contracts with customers	368,199	391,849
Provision for impairment	(a) (90,096)	(158,557)
	<u>278,103</u>	<u>233,292</u>
Other receivables	145,193	6,734
	<u>423,296</u>	<u>240,026</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

#### (a) Impairment of receivables

The Branch applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 31 December 2020 is determined as follows, the expected credit losses incorporate forward looking information.

	Current	< 90 days overdue	> 90 days overdue	Total
<b>31 December 2020</b>				
Expected loss rate (%)	1.00	40.00	95.00	
Gross carrying amount (\$)	234,950	70,618	62,631	368,199
ECL provision	<u>2,350</u>	<u>28,247</u>	<u>59,499</u>	<u>90,096</u>
<b>31 December 2019</b>				
Expected loss rate (%)	1.00	40.00	95.00	
Gross carrying amount (\$)	142,100	145,684	104,065	391,849
ECL provision	<u>1,421</u>	<u>58,274</u>	<u>98,862</u>	<u>158,557</u>

## Independent Education Union of Australia New South Wales /Australian Capital Territory Branch

ABN: 91 925 561 384

### Notes to the Financial Statements

For the Year Ended 31 December 2020

#### 7 Trade and Other Receivables

##### (b) Receivables from other reporting units and related parties

	2020	2019
	\$	\$
Independent Education Union of Australia Victoria/Tasmania Branch	213	-
Independent Education Union of Australia South Australian Branch	18	-
New South Wales Independent Education Union	-	51

None of the receivables from other reporting units and related parties are deemed impaired (2019: \$Nil).

#### 8 Other Assets

Prepayments	588	1,231
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#### 9 Assets held for sale

##### *Non-current assets held for sale*

Investment property	1,180,000	-
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The Committee of Management made a decision during the year to actively sell the investment property held in Brisbane Ave, Barton.

This property was transferred to the Branch from the New South Wales Independent Education Union upon deregistration. Refer note 23 for further details.

#### 10 Other Financial Assets

##### *Financial assets at fair value through profit or loss*

Shares - unlisted entity	50	-
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##### *Financial assets held at amortised cost*

Term Deposits	4,016,052	-
	<u>4,016,102</u>	<u>-</u>

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 11 Leases

#### Branch as a lessee

The Branch has leases over a range of assets including IT equipment.

Information relating to the leases in place and associated balances and transactions are provided below.

#### *Terms and conditions of leases*

Office equipment is leased over 2 to 5 year period with no option to extend. The lease payments are fixed during the lease term.

#### (a) Right-of-use assets

	Plant and Equipment \$
<b>Year ended 31 December 2020</b>	
Balance at beginning of year	173,044
Additions to right-of-use assets	2,921
Depreciation charge	<u>(53,011)</u>
<b>Balance at end of year</b>	<b><u>122,954</u></b>
<b>Year ended 31 December 2019</b>	
Balance at beginning of year	163,080
Depreciation charge	(43,271)
Additions to right-of-use assets	<u>53,235</u>
<b>Balance at end of year</b>	<b><u>173,044</u></b>

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 11 Leases

#### (b) Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year \$	1 - 5 years \$	Total undiscounted lease liabilities \$	Lease liabilities included in this Balance Sheet \$
<b>2020</b>				
Lease liabilities	56,220	81,546	137,766	126,949
<b>2019</b>				
Lease liabilities	58,340	134,546	192,886	173,735

#### Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Branch is a lessee are shown below:

	2020 \$	2019 \$
Lease interest expense	8,846	8,165
Depreciation of right-of-use asset	53,011	43,271
	<u>61,857</u>	<u>51,436</u>

#### Statement of Cash Flows

Total cash outflow for leases	<u>58,552</u>	<u>48,284</u>
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## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 12 Property, plant and equipment

	2020	2019
	\$	\$
Land and buildings		
At cost	20,937,333	305,378
Accumulated depreciation	(264,967)	(4,869)
	<u>20,672,366</u>	<u>300,509</u>
Plant and equipment		
At cost	206,622	47,255
Accumulated depreciation	(44,230)	(4,848)
	<u>162,392</u>	<u>42,407</u>
Furniture, fixtures and fittings		
At cost	103,666	37,489
Accumulated depreciation	(21,930)	(2,825)
	<u>81,736</u>	<u>34,664</u>
Motor vehicles		
At cost	290,693	22,972
Accumulated depreciation	(43,327)	(2,719)
	<u>247,366</u>	<u>20,253</u>
Computer software		
At cost	32,600	-
Accumulated depreciation	-	-
	<u>32,600</u>	<u>-</u>
<b>Total property, plant and equipment</b>	<u><u>21,196,460</u></u>	<u><u>397,833</u></u>

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 12 Property, plant and equipment

#### (a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Note	Land and buildings \$	Plant and Equipment \$	Furniture, Fixtures and Fittings \$	Motor Vehicles \$	Computer Software \$	Total \$
<b>Year ended 31 December 2020</b>							
Balance at the beginning of year		300,509	42,407	34,664	20,253	-	397,833
Additions		41,955	110,965	35,465	159,561	32,600	380,546
Additions through transfer from State entity	23	20,590,000	48,402	30,712	107,818	-	20,776,932
Depreciation expense		(260,098)	(39,382)	(19,105)	(40,266)	-	(358,851)
<b>Balance at the end of the year</b>		<b>20,672,366</b>	<b>162,392</b>	<b>81,736</b>	<b>247,366</b>	<b>32,600</b>	<b>21,196,460</b>

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 12 Property, plant and equipment

(a) Movements in carrying amounts of property, plant and equipment

	Land and buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Computer Software	Total
	\$	\$	\$	\$	\$	\$
Balance at the beginning of year	-	-	-	-	-	-
Additions	305,378	47,255	37,489	22,972	-	413,094
Depreciation expense	(4,869)	(4,848)	(2,825)	(2,719)	-	(15,261)
<b>Balance at the end of the year</b>	<b>300,509</b>	<b>42,407</b>	<b>34,664</b>	<b>20,253</b>	<b>-</b>	<b>397,833</b>

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 13 Trade and Other Payables

	2020	2019
	\$	\$
Trade payables	69,265	127,005
Other payables	578,126	433,237
	<u>647,391</u>	<u>560,242</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

#### (a) Payables to other reporting units and related parties

Independent Education Union of Australia - National Office	3,002	-
New South Wales Independent Education Union	-	16,330

#### (b) Other payables disclosures

Legal fees - Other legal matters	5,798	-
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### 14 Other Financial Liabilities

Revenue received in advance - contracts from customers	<u>386,425</u>	<u>519,946</u>
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### 15 Employee Benefits

#### *Current liabilities*

Annual leave	1,529,826	1,462,532
Long service leave	<u>2,783,789</u>	<u>2,766,941</u>
	<u>4,313,615</u>	<u>4,229,473</u>

#### *Non-current liabilities*

Long service leave	<u>10,030</u>	<u>8,332</u>
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## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 15 Employee Benefits

(a) Total employee benefits attributable to:

	2020	2019
	\$	\$
<b>Employee provisions</b>		
<i>Office Holders* - Current</i>		
Annual leave	477,302	631,371
Long service leave	1,278,396	1,584,157
	<u>1,755,698</u>	<u>2,215,528</u>
<i>Employees other than office holders</i>		
<i>- Current</i>		
Annual leave	1,052,524	831,161
Long service leave	1,505,393	1,182,783
	<u>2,557,917</u>	<u>2,013,944</u>
<i>Employees other than office holders</i>		
<i>- Non-current</i>		
Long service leave	10,030	8,332
	<u>10,030</u>	<u>8,332</u>
	<u><u>4,323,645</u></u>	<u><u>4,237,804</u></u>

\* Office holders are defined by the RO Act.

### 16 Reserves

#### Amalgamation reserve

The amalgamation reserve was created when the New South Wales Independent Education Union was deregistered and it transferred its assets and liabilities to the Independent Education Union of Australia New South Wales/Australian Capital Territory Branch – the transfer of these assets at fair value gave rise to an amalgamation reserve as per AASB 3 *Business Combinations*.

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 17 Financial Risk Management

	Note	2020 \$	2019 \$
<b>Financial assets</b>			
<i>Held at amortised cost</i>			
Cash and cash equivalents	6	8,051,712	8,166,233
Trade and other receivables	7	423,296	240,026
Other financial assets	10	4,016,052	-
<i>Fair value through profit or loss (FVTPL)</i>			
Shares in unlisted entity	10	50	-
<b>Total financial assets</b>		<b>12,491,110</b>	<b>8,406,259</b>
<b>Financial liabilities</b>			
Trade and other payables	13	647,391	560,242
Lease liabilities	11	126,949	173,735
<b>Total financial liabilities</b>		<b>774,340</b>	<b>733,977</b>

#### Liquidity risk

Liquidity risk arises from the Branch's management of working capital. It is the risk that the Branch will encounter difficulty in meeting its financial obligations as they fall due.

The Branch's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due.

The Branch manages its liquidity needs by carefully monitoring cash-outflows due in day-to-day business.

The Branch's liabilities have contractual maturities which are summarised below:

	Less than 1 year		Total	
	2020 \$	2019 \$	2020 \$	2019 \$
Trade and other payables	647,391	560,242	647,391	560,242

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 17 Financial Risk Management

#### Credit risk

The Branch has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

The Branch does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

The other classes of receivables do not contain impaired assets.

#### Market risk

The Branch is not exposed to a material level of interest rate risk or equity price risk.

#### (a) Net income from financial assets

	2020	2019
	\$	\$
Term Deposits		
Interest income	43,182	56,914

#### (b) Fair value estimation

The fair values of financial assets and financial liabilities are consistent with their carrying values as presented in the balance sheet. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 18 Fair Value Measurement

The Branch measures the following assets and liabilities at fair value on a recurring basis:

#### Fair value hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the Branch:

	Level 1	Level 2	Level 3	Total
31 December 2020	\$	\$	\$	\$
<b>Recurring fair value measurements</b>				
<b>Financial assets</b>				
Unlisted Shares	-	-	50	50
<b>Recurring fair value measurements</b>				
<b>Financial assets</b>				
Unlisted Shares	-	-	-	-

#### Level 3 measurements

The Committee of Management believe that the fair value of these shares is equal to the cost that was paid for them, as they have no right to variable return for the entities.



## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 19 Key Management Personnel Disclosures

The totals of remuneration paid to the key management personnel of Independent Education Union of Australia New South Wales /Australian Capital Territory Branch during the year are as follows:

	2020	2019
	\$	\$
Salary (including leave taken)	1,331,586	1,783,267
Leave accrued	205,873	324,992
	<u>1,537,459</u>	<u>2,108,259</u>
<b>Long-term benefits</b>		
Long service leave	(305,761)	432,486
	<u>(305,761)</u>	<u>432,486</u>
<b>Post-employment benefits</b>		
Superannuation	220,640	263,767
	<u>220,640</u>	<u>263,767</u>
	<u><u>1,452,338</u></u>	<u><u>2,804,512</u></u>

Key management personnel are defined at note 22(a).

### 20 Auditors' Remuneration

Remuneration of the auditor of the Branch for:

- auditing of the financial report	50,800	52,500
- other services - FBT assistance	2,410	-
	<u>53,210</u>	<u>-</u>
<b>Total</b>	<u><u>53,210</u></u>	<u><u>52,500</u></u>

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 21 Contingencies

In the opinion of the Committee of Management the Branch did not have any contingencies at 31 December 2020 (31 December 2019: None).

#### *Contingent Liabilities*

As a benefit of membership, the Branch has undertaken to fund the future legal costs of a number of member matters. Whilst it is difficult to quantify the commitment that has been made, the Branch's exposure to costs being incurred is limited and can be controlled. Accordingly, the collective value of the potential contingent liability to the Union is not able to be measured reliably, nor is it considered to be material, and hence no further information has been disclosed.

#### *Contingent Assets*

Similarly, having funded the legal costs of member matters over numerous years, the Branch considers it probable that future recoveries will be made in relation to such legal services disbursements. However, the prospects of success and quantum of recoveries are not able to be measured reliably, nor are they considered to be material, and hence no further information has been disclosed.

### 22 Related Parties

(a) The Branch's main related parties are as follows:

(i) Key Management Personnel (KMP):

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Committee (whether executive or otherwise) of that entity are considered KMP.

For details of remuneration disclosures relating to key management personnel, refer to Note 19: Key Management Personnel Disclosures.

Other transactions with KMP and their related entities are shown below.

(ii) New South Wales Independent Education Union:

The Branch was associated with the New South Wales Independent Education Union with the majority of members of the Branch also being members of the Branch. This Union was de-registered during the year. See note 23 for further details.

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 22 Related Parties

#### (b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

- Amounts owed to and amounts owed by the Branch to other Reporting Units are disclosed in notes 7(b) and 13(a) respectively.
- Capitation and affiliation fees paid are disclosed in note 5.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

## Independent Education Union of Australia New South Wales /Australian Capital Territory Branch

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### Notes to the Financial Statements

For the Year Ended 31 December 2020

#### 22 Related Parties

The following transactions occurred with related parties:

	2020	2019
	\$	\$
<b>New South Wales Independent Education Union</b>		
- Income reimbursement	-	16,136
- Expense reimbursement	(1,679)	(5,940)
<b>Independent Education Union of Australia - National Office</b>		
- Payroll tax expense	(35,400)	(41,755)
- Postage expense	(654)	(639)
- Rental income	35,102	-
- Electricity reimbursement	784	-
- Income reimbursement	1,995	900
<b>Independent Education Union of Australia - Queensland/Northern Territory Branch</b>		
- Publication sales	51,286	98,794
- Expense reimbursement	-	(436)
<b>Independent Education Union of Australia - South Australia Branch</b>		
- Publication sales	317	-
- Expense reimbursement	-	(423)
<b>Independent Education Union of Australia - Victoria/Tasmania Branch</b>		
- Publication sales	43,351	92,908
- Expense reimbursement	-	(218)
<b>Independent Education Union of Australia - Western Australia Branch</b>		
- Publication sales	512	812



## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 23 Amalgamation of Business

When the New South Wales Independent Education Union was deregistered assets were transferred at fair value to the Independent Education Union of Australia New South Wales/Australian Capital Territory Branch. This in turn gives rise to an amalgamation reserve as per AASB 3. The accounting treatment of the acquired assets is; the acquirer in a combination of mutual entities shall recognise the acquiree's net assets as a direct addition to capital or equity in its statement of financial position, not as an addition to retained earnings.

The New South Wales Independent Education Union was deregistered on 2 September 2020, and as a result transferred all of its assets and liabilities to the Independent Education Union of Australia NSW/ACT Branch.

The fair value of the identified of the identifiable assets and liabilities of New South Wales Independent Education Union were:

	Fair value
	\$
Cash and cash equivalents	793,899
Financial assets - amortised cost	562,526
Property, plant and equipment	20,776,932
Investment property	1,180,000
Financial assets - FVTPL	50
	<u>23,313,407</u>
Accounts payable	(29,216)
Total liabilities transferred	<u>(29,216)</u>
<b>Total identifiable assets at fair value</b>	<u><u>23,284,191</u></u>

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 24 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

	2020	2019
	\$	\$
Result for the year	2,735,872	663,291
Cash flows excluded from profit attributable to operating activities		
- depreciation expense	411,862	58,532
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(212,086)	245,513
- (increase)/decrease in other assets	643	26,928
- increase/(decrease) in trade and other payables	(46,372)	24,259
- increase/(decrease) in employee benefits	85,840	628,193
Cashflows from operations	<u>2,975,759</u>	<u>1,646,716</u>

(b) Cash flow information - reporting units

**Net cash flows from Reporting Units:**

Independent Education Union of Australia - National Office	39,475	990
Independent Education Union of Australia QLD/NT Branch	56,415	109,154
Independent Education Union of Australia VIC/TAS Branch	47,363	102,438
Independent Education Union of Australia WA Branch	563	893
Independent Education Union of Australia SA Branch	330	465

**Net cash flows to Reporting Units:**

Independent Education Union of Australia - National Office	(876,076)	(922,932)
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## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 25 Events Occurring After the Reporting Date

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the Branch is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the Branch. Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Branch, the results of those operations, or the state of affairs of the Branch in subsequent financial periods.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Branch, the results of those operations, or the state of affairs of the Branch in future financial years.

### 26 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:

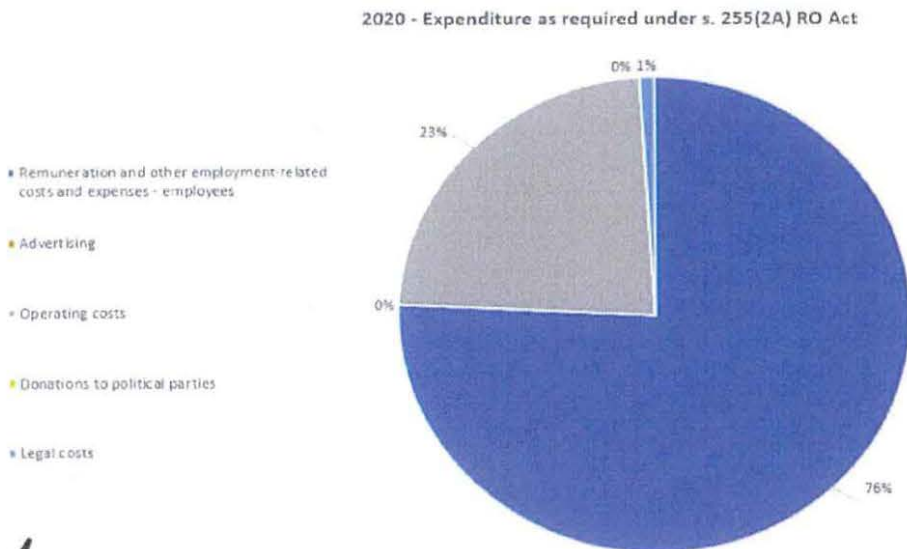
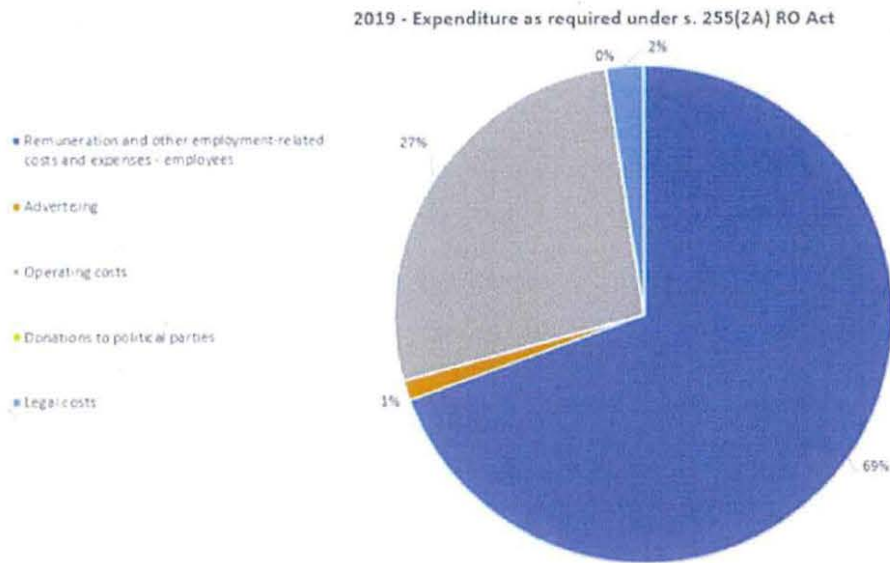
Information to be provided to members or Commissioner:

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).

**Subsection 255 (2A) report**

For the year ended 31 December 2020

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 December 2020.



Mark Northam  
Secretary  
Dated: 7 May 2021



## Officer Declaration Statement

I, Mark Northam, being the Branch Secretary of the Independent Education Union of Australia - New South Wales/Australian Capital Territory Branch, declare that the following activities did not occur during the reporting period ending 31 December 2020 (including the comparative year).

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- 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
- ~~receive periodic or membership subscriptions~~
- receive capitation fees from another reporting unit
- ~~receive any other revenue amount from another reporting unit~~
- receive revenue via compulsory levies
- receive donations or grants
- receive revenue from undertaking recovery of wages activity
- ~~incur fees as consideration for employers making payroll deductions of membership subscriptions~~
- ~~pay capitation fees to another reporting unit~~
- ~~pay any other expense to another reporting unit~~
- ~~pay affiliation fees to other entity~~
- pay compulsory levies
- pay a grant that was \$1,000 or less
- ~~pay a grant that exceeded \$1,000~~
- ~~pay a donation that was \$1,000 or less~~
- pay a donation that exceeded \$1,000
- ~~pay wages and salaries to holders of office~~
- ~~pay superannuation to holders of office~~
- ~~pay leave and other entitlements to holders of office~~
- pay separation and redundancy to holders of office
- ~~pay other employee expenses to holders of office~~
- ~~pay wages and salaries to employees (other than holders of office)~~
- ~~pay superannuation to employees (other than holders of office)~~
- ~~pay leave and other entitlements to employees (other than holders of office)~~
- pay separation and redundancy to employees (other than holders of office)
- ~~pay other employee expenses to employees (other than holders of office)~~
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- ~~incur expenses due to holding a meeting as required under the rules of the organisation~~
- ~~pay legal costs relating to litigation~~
- ~~pay legal costs relating to other legal matters~~

## Independent Education Union of Australia New South Wales /Australian Capital Territory Branch

ABN: 91 925 561 384

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- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- ~~have a receivable with other reporting unit~~
- ~~have a payable with other reporting unit~~
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- ~~have a payable in respect of legal costs relating to other legal matters~~
- ~~have an annual leave provision in respect of holders of office~~
- ~~have a long service leave provision in respect of holders of office~~
- have a separation and redundancy provision in respect of holders of office
- have other employee provisions in respect of holders of office
- ~~have an annual leave provision in respect of employees (other than holders of office)~~
- ~~have a long service leave provision in respect of employees (other than holders of office)~~
- have a separation and redundancy provision in respect of employees (other than holders of office)
- have other employee provisions in respect of employees (other than holders of office)
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- ~~have a balance within the general fund~~
- ~~provide cash flows to another reporting unit and/or controlled entity~~
- ~~receive cash flows from another reporting unit and/or controlled entity~~
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Mr Mark Northam

Secretary



Dated: 7 May 2021



## Independent Audit Report to the members of Independent Education Union of Australia New South Wales /Australian Capital Territory Branch

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Independent Education Union of Australia New South Wales /Australian Capital Territory Branch ("the Branch"), which comprises the balance sheet as at 31 December 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Committee of Management Statement, the subsection 255 (2A) report and the Officer Declaration Statement

In our opinion, the accompanying financial presents fairly, in all material aspects, the financial position of the Branch as at 31 December 2020 and its financial performance and its cash flows for the year ended on that date in accordance with:

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

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

#### Basis for Opinion

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

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Legislation







## **Independent Audit Report to the members of Independent Education Union of Australia New South Wales /Australian Capital Territory Branch**

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

### **Information Other than the Financial Report and Auditors Report Thereon**

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

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Committee of Managements for the Financial Report**

The Committee of Management of the Branch are 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 Managements 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 Managements are responsible for assessing the Branch'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 Managements either intend to liquidate the Branch or to cease operations, or have no realistic alternative but to do so.





## **Independent Audit Report to the members of Independent Education Union of Australia New South Wales /Australian Capital Territory Branch**

### **Auditor's Responsibilities for the Audit of the Financial Report**

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our 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 Branch'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 Managements' 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 Branch's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Branch 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.



## Independent Audit Report to the members of Independent Education Union of Australia New South Wales /Australian Capital Territory Branch

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

I declare that I am an auditor registered under the RO Act.

  
Daley Audit

  
Stephen Milgate  
Partner

Wollongong  
Dated: 7 May 2021

Registration Number (as registered by the RO Commissioner under the RO Act): AA2017/127

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