



20 May 2019

Mr John Quessy  
Secretary, New South Wales/Australian Capital Territory Branch  
Independent Education Union of Australia

Dear Secretary,

**Re: – Independent Education Union of Australia, New South Wales/Australian Capital Territory Branch - financial report for year ending 31 December 2018 (FR2018/354)**

I refer to the financial report of the New South Wales/Australian Capital Territory Branch of the Independent Education Union of Australia. The documents were lodged with the Registered Organisations Commission (**ROC**) on 12 April 2019. A copy of the designated officer's certificate was received today.

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 respect of the report lodged. Please note the report for year ending 31 December 2019 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](#).

If you have any questions about the above or the reporting requirements, please do not hesitate to contact me by email at [stephen.kellett@roc.gov.au](mailto:stephen.kellett@roc.gov.au).

Yours faithfully

Stephen Kellett  
Financial Reporting  
Registered Organisations Commission

**INDEPENDENT EDUCATION UNION OF AUSTRALIA  
NEW SOUTH WALES/ACT BRANCH**

s.268 Fair Work (Registered Organisations) Act 2009

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**

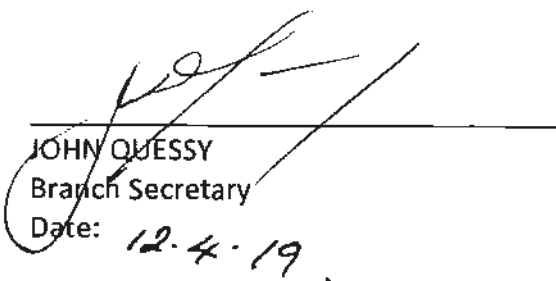
Certificate for the period ended 31 December 2018

I John Qussy being the Branch Secretary of the

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

certify:

- that the documents lodged herewith are copies of the full report for the Independent Education Union of Australia New South Wales / Australian Capital Territory Branch for the period 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 11 April 2019 and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 5 April 2019 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

  
JOHN QUSSY  
Branch Secretary

Date:

12.4.19.

**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 2018

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

ABN: 91 925 561 384

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## Operating Report

31 December 2018

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 2018.

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

The names of the Committee of Management in office at any time during the financial year were:

Name	Position	Period of appointment
John Quessy	Secretary	Jan 2018 - Dec 2018
Gloria Taylor	Deputy Secretary	Jan 2018 - Dec 2018
Carol Matthews	Assistant Secretary	Jan 2018 - Dec 2018
Mark Northam	Assistant Secretary	Jan 2018 - Dec 2018
Chris Wilkinson	President	Jan 2018 - Dec 2018
Louise Glase	Vice President Non-Systemic	Jan 2018 - Dec 2018
Bernadette Baker	Vice President Systemic	Jan 2018 - Dec 2018
Gabrielle Connell	Vice President Early Childhood	Jan 2018 - Dec 2018
Carolyn Collins	Vice President Support Staff	Jan 2018 - Dec 2018
Leah Godfrey	Vice President ACT	Jan 2018 - Dec 2018
Marie MacTavish	Financial Officer	Jan 2018 - Dec 2018
Peter Moore	Financial Officer	Jan 2018 - Dec 2018
Patricia Murnane	General Executive Member	Jan 2018 - Dec 2018
Helen Templeton	General Executive Member	Jan 2018 - Dec 2018
Denise McHugh	General Executive Member	Jan 2018 - Dec 2018
Patricia Murnane	General Executive Member	Jan 2018 - Dec 2018
John O'Neill	General Executive Member	Jan 2018 - Dec 2018
Jeff Pratt	General Executive Member	Jan 2018 - Dec 2018
James Jenkins - Flint	General Executive Member	Jan 2018 - Dec 2018
Tina Ruello	General Executive Member	Jan 2018 - Dec 2018
Caroline McCaffrie	General Executive Member	Jan 2018 - Nov 2018
Ross Conlon	General Executive Member	Jan 2018 - Dec 2018
Suzanne Penson	General Executive Member	Jan 2018 - Dec 2018
Simon Goss	General Executive Member	Jan 2018 - Dec 2018

All members of the Committee of management were in office for the period 1 January 2018 to 31 December 2018, unless otherwise stated.

## Operating Report

31 December 2018

### 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.

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.
- A 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 2018 was \$1,711,270 (2017: \$1,277,130) and the Committee Management believe that the activities of the Branch have achieved their objectives for the year.

There were no 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 29,673 (2017: 31,859).

### 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 2018 was 66 (2017: 63).

## Operating Report

31 December 2018

**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**

John Quessy	Secretary	Alternate Directors of NGS Super Pty Ltd
Gloria Taylor	Deputy Secretary	Director of NGS Super Pty Ltd
Chris Wilkinson	President	Director of NGS Super Pty Ltd

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

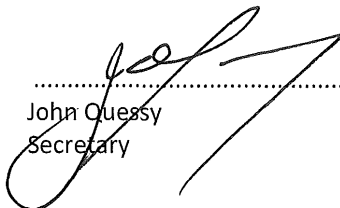
### Significant changes in state of affairs

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:



.....  
John Quessy  
Secretary

Dated 05 April 2019

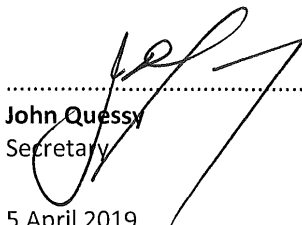
## Committee of Management Statement

On 5 April 2019 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 ("GPFR") of the Branch for the year ended 31 December 2018:

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 (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 2018;
- (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 ended 31 December 2018 and since the end of the financial 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 reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
  - vi) where any order 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.

.....  
  
John Quessy  
Secretary

5 April 2019



**Statement of Profit or Loss and Other Comprehensive Income**  
**For the Year Ended 31 December 2018**

	Note	2018 \$	2017 \$
Membership fees received	4	14,507,056	14,011,321
Other income	4	606,343	595,153
Employee costs	5	(9,245,815)	(9,278,531)
Affiliation and capitation fees	5	(845,929)	(746,956)
Meetings, conferences and events		(834,159)	(883,107)
Printing and publication expense		(527,511)	(590,852)
Legal costs	5	(375,521)	(221,945)
Information technology expenses		(273,825)	(381,946)
Property expenses		(258,665)	(279,681)
Insurance expense		(210,346)	(125,280)
Motor vehicle expense		(145,041)	(147,275)
Training expense		(103,372)	(78,883)
Campaign costs		(100,942)	(57,854)
Commission expense		(93,299)	(85,911)
Finance costs		(61,639)	(46,630)
Donation expense	5	(2,450)	(4,236)
Other expenses		(323,615)	(400,257)
<b>Result for the year</b>		<b>1,711,270</b>	<b>1,277,130</b>
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<b>1,711,270</b>	<b>1,277,130</b>

The Branch has not restated comparatives when initially applying AASB 9, the accompanying information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

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

## Balance Sheet

As at 31 December 2018

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	6	6,980,896	5,263,975
Trade and other receivables	7	774,113	845,695
Other assets	8	28,155	22,521
TOTAL CURRENT ASSETS		<u>7,783,164</u>	<u>6,132,191</u>
TOTAL NON-CURRENT ASSETS		-	-
TOTAL ASSETS		<u>7,783,164</u>	<u>6,132,191</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	9	541,198	731,414
Employee benefits	11	3,601,280	3,729,200
Other financial liabilities	10	448,525	187,409
TOTAL CURRENT LIABILITIES		<u>4,591,003</u>	<u>4,648,023</u>
NON-CURRENT LIABILITIES			
Employee benefits	11	15,297	18,574
TOTAL NON-CURRENT LIABILITIES		<u>15,297</u>	<u>18,574</u>
TOTAL LIABILITIES		<u>4,606,300</u>	<u>4,666,597</u>
NET ASSETS		<u>3,176,864</u>	<u>1,465,594</u>
<b>EQUITY</b>			
Retained earnings		<u>3,176,864</u>	<u>1,465,594</u>

The Branch has not restated comparatives when initially applying AASB 9, the accompanying information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

The accompanying notes form part of these financial statements.

## Statement of Changes in Equity

For the Year Ended 31 December 2018

	Retained Earnings \$
<b>Balance at 1 January 2018</b>	<b>1,465,594</b>
Result for the year	<u>1,711,270</u>
<b>Balance at 31 December 2018</b>	<b><u><u>3,176,864</u></u></b>
<b>Balance at 1 January 2017</b>	188,464
Result for the year	<u>1,277,130</u>
<b>Balance at 31 December 2017</b>	<b><u><u>1,465,594</u></u></b>

The Branch has not restated comparatives when initially applying AASB 9, the accompanying information has been prepared under AASB 139 Financial Instruments: Recognition and Measurement.

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

**Statement of Cash Flows**

**For the Year Ended 31 December 2018**

	2018	2017
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from members and other revenue received	16,914,420	18,865,702
Payments to suppliers and employees	(15,298,182)	(14,864,252)
Interest received	100,683	2,190
Net cash provided by/(used in) operating activities	18 <u>1,716,921</u>	<u>4,003,640</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Net cash provided by/(used in) investing activities	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net cash provided by/(used in) financing activities	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents held	1,716,921	4,003,640
Cash and cash equivalents at beginning of year	<u>5,263,975</u>	<u>1,260,335</u>
Cash and cash equivalents at end of financial year	6 <u><u>6,980,896</u></u>	<u><u>5,263,975</u></u>

The accompanying notes form part of these financial statements.

## Notes to the Financial Statements

For the Year Ended 31 December 2018

### 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) 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).

#### (b) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

#### (c) Revenue and other 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 as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

#### Interest revenue

Interest is recognised using the effective interest method.

#### Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

## Notes to the Financial Statements

For the Year Ended 31 December 2018

### 2 Summary of Significant Accounting Policies (Continued)

#### (c) Revenue and other income (Continued)

##### Rendering of services (Continued)

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

##### Subscriptions

Revenue from the provision of membership subscriptions is recognised on an accrual basis and is recorded as revenue in the year to which it relates.

#### (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 payable 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) Financial Instruments

##### (i) Accounting policy - applied after 1 January 2018

Financial instruments are recognised initially using trade date accounting, i.e. 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.

## Notes to the Financial Statements

For the Year Ended 31 December 2018

### 2 Summary of Significant Accounting Policies (Continued)

#### (e) Financial Instruments (Continued)

##### (i) Accounting policy - applied after 1 January 2018 (Continued)

###### Classification

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

- amortised cost
- 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 and cash and cash equivalents 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, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

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

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL.

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

## Notes to the Financial Statements

### For the Year Ended 31 December 2018

#### 2 Summary of Significant Accounting Policies (Continued)

##### (e) Financial Instruments (Continued)

##### (i) Accounting policy - applied after 1 January 2018 (Continued)

###### 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 Union'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 Union 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 multiplied this by the amount of the expected loss arising from default.

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.



## Notes to the Financial Statements

For the Year Ended 31 December 2018

### 2 Summary of Significant Accounting Policies (Continued)

#### (e) Financial Instruments (Continued)

##### (i) Accounting policy - applied after 1 January 2018 (Continued)

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 Union comprise trade payables, bank and other loans and finance lease liabilities.

##### (ii) Accounting policy - applied to 1 January 2018

Financial instruments are recognised initially using trade date accounting, i.e. 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

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

## Notes to the Financial Statements

For the Year Ended 31 December 2018

### 2 Summary of Significant Accounting Policies (Continued)

#### (e) Financial Instruments (Continued)

##### (ii) Accounting policy - applied to 1 January 2018 (Continued)

###### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Branch's trade and other receivables fall into this category of financial instruments.

In some circumstances, the Branch renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Branch does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

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

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future; or
- designated by the Branch to be carried at fair value through profit or loss upon initial recognition.

Assets included within this category are carried in the balance sheet at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

###### Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Branch's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

## Notes to the Financial Statements

For the Year Ended 31 December 2018

### 2 Summary of Significant Accounting Policies (Continued)

#### (e) Financial Instruments (Continued)

##### (ii) Accounting policy - applied to 1 January 2018 (Continued)

#### Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The Branch's financial liabilities include borrowings, trade and other payables, which are measured at amortised cost using the effective interest rate method.

#### Impairment of financial assets

At the end of the reporting period the Branch assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

#### Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the 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 financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

#### (f) 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 2018

#### 2 Summary of Significant Accounting Policies (Continued)

##### (f) Impairment of non-financial assets (Continued)

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.

##### (g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

##### (h) Employee benefits

Defined contribution schemes

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

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 2018**

### **2 Summary of Significant Accounting Policies (Continued)**

#### **(i) Capitation fees and levies**

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

## Notes to the Financial Statements

### For the Year Ended 31 December 2018

#### 2 Summary of Significant Accounting Policies (Continued)

##### (j) New Accounting Standards and Interpretations

As at 1 January 2018 the Branch adopted AASB 9 Financial Instruments. There was no impact on the financial report due to the adoption of this standard.

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Branch has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Branch where the standard is relevant:

Standard Name	Effective date for entity	Requirements	Impact
AASB 15 Revenue from Contracts with Customers	Mandatory for financial years commencing on or after 1 January 2019	The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services. The new standard is based on the principle that revenue recognised when control of a good service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application (eg 1 Jan 2019), ie without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application.	Management have assessed that this will not have any impact upon the way revenue is recognised under the current arrangement in place with customers.
AASB 16 Leases	Mandatory for financial years commencing on or after 1 January 2019.	AASB 16 Leases requires lessees to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.	Management is currently investigating the expected impact, if any, that this standard will have.

## Notes to the Financial Statements

For the Year Ended 31 December 2018

### 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 - 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.

### 4 Revenue and Other Income

	2018	2017
	\$	\$
Membership fees	<u>14,507,056</u>	<u>14,011,321</u>
Other income		
- Interest income	100,683	2,190
- Directors fees	116,951	100,359
- Publication income	316,331	380,757
- Other income	<u>72,378</u>	<u>111,847</u>
	<u>606,343</u>	<u>595,153</u>

## Notes to the Financial Statements

For the Year Ended 31 December 2018

### 5 Result for the Year

The result for the year was derived after charging / (crediting) the following items:

	2018	2017
	\$	\$
<b>Employee Expenses</b>		
<i>Office holders*</i>		
Wages and salaries	1,641,485	1,557,096
Superannuation	266,749	242,697
Leave and other entitlements	291,741	199,003
Separation and redundancies	-	-
Other employee expenses (Fringe benefits and payroll tax)	110,072	109,108
	<u>2,310,047</u>	<u>2,107,904</u>
<i>Employees other than office holders</i>		
- Wages and salaries	6,103,350	5,782,867
- Superannuation	709,254	675,819
- Leave and other entitlements	(352,812)	243,056
- Separation and redundancies	66,707	63,672
- Other employee expenses (Fringe benefits and payroll tax)	409,269	405,213
	<u>6,935,768</u>	<u>7,170,627</u>
	<u>9,245,815</u>	<u>9,278,531</u>
* Office holders are defined by the RO Act.		
<b>Legal Costs</b>		
Litigation	370,958	176,738
Other Legal Matters	4,563	45,207
	<u>375,521</u>	<u>221,945</u>
<b>Grants &amp; donations</b>		
Donations - total paid that were \$1,000 or less	2,450	4,236



## Notes to the Financial Statements

For the Year Ended 31 December 2018

### 5 Result for the Year (Continued)

	Note	2018 \$	2017 \$
<b>Affiliation fees</b>			
Independent Education Union of Australia		177,325	166,579
Unions NSW		82,123	77,501
Welfare Right Centre		13,838	13,838
Unions ACT		12,496	11,715
Newcastle Trade Hall Council		3,116	3,058
Workers Health Centre		1,590	1,562
		<u>290,488</u>	<u>274,253</u>
Capitation fees - Independent Education Union of Australia		555,441	472,703
Consideration to employers for payroll deductions of membership subscriptions		93,299	85,911
Conference and meeting expenses		581,238	616,911
Fees/allowances - meeting and conferences		252,922	266,196
<b>6 Cash and Cash Equivalents</b>			
Cash at bank and on hand		<u>6,980,896</u>	<u>5,263,975</u>
<b>7 Trade and Other Receivables</b>			
Trade receivables		800,273	893,802
Provision for impairment	(a)	<u>(60,456)</u>	<u>(91,049)</u>
		<u>739,817</u>	<u>802,753</u>
Other receivables		34,296	42,942
		<u>774,113</u>	<u>845,695</u>

## Notes to the Financial Statements

For the Year Ended 31 December 2018

### 7 Trade and Other Receivables (Continued)

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 2018 is determined as follows, the expected credit losses incorporate forward looking information.

31 December 2018	Current	< 90 days overdue	> 90 days overdue	Total
Expected loss rate (%)	1.00	40.00	95.00	136.00
Gross carrying amount (\$)	718,958	44,386	36,929	800,273
ECL provision	7,190	17,755	35,511	60,456

#### (b) Receivables from other reporting units

	2018	2017
	\$	\$
New South Wales Independent Education Union	11,791	-
Independent Education Office of Australia Western Australian Branch	298	-
Independent Education Office of Australia	-	270
Independent Education Office of Australia Victoria/Tasmania Branch	-	235

None of the receivables from other reporting units are deemed impaired (2017: \$Nil).

### 8 Other Assets

Prepayments	28,155	22,521
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## Notes to the Financial Statements

For the Year Ended 31 December 2018

### 9 Trade and Other Payables

	2018	2017
	\$	\$
Trade payables	408,143	650,320
Other payables	133,055	81,094
	<u>541,198</u>	<u>731,414</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

Independent Education Union of Australia	3,335	3,684
New South Wales Independent Education Union	106	-

#### (b) Other payables disclosures

Legal fees - Other legal matters	3,345	-
Consideration to employers for payroll deductions of membership descriptions	31	836

### 10 Other Financial Liabilities

Revenue received in advance	<u>448,525</u>	<u>187,409</u>
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## Notes to the Financial Statements

For the Year Ended 31 December 2018

### 11 Employee Benefits

	2018	2017
	\$	\$
<i>Current liabilities</i>		
Annual leave	1,266,825	1,498,630
Long service leave	2,334,455	2,230,570
	<u>3,601,280</u>	<u>3,729,200</u>
<i>Non-current liabilities</i>		
Long service leave	<u>15,297</u>	<u>18,574</u>

## Notes to the Financial Statements

For the Year Ended 31 December 2018

### 11 Employee Benefits (Continued)

(a) Total employee benefits attributable to:

	2018	2017
	\$	\$
<b>Employee provisions</b>		
<i>Office Holders* - Current</i>		
Annual leave	541,866	622,555
Long service leave	1,104,902	989,970
Separations and redundancies	-	-
Other	-	-
	<b>1,646,768</b>	1,612,525
<i>Employees other than office holders - Current</i>		
Annual leave	724,939	876,075
Long service leave	1,229,573	1,240,600
Separations and redundancies	-	-
Other	-	-
	<b>1,954,512</b>	2,116,675
<i>Office Holders* - Non-current</i>		
Annual leave	-	-
Long service leave	-	-
Separation and redundancies	-	-
Other	-	-
	-	-
<i>Employees other than office holders - Non-current</i>		
Annual leave	-	-
Long service leave	15,297	18,574
Separation and redundancies	-	-
Other	-	-
	<b>15,297</b>	18,574
	<b>3,616,577</b>	3,747,774

\* Office holders are defined by the RO Act.

## Notes to the Financial Statements

For the Year Ended 31 December 2018

### 12 Capital and Leasing Commitments

(a) Operating Leases

	2018	2017
	\$	\$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	71,788	83,091
- between one year and five years	132,102	199,882
- later than five years	-	4,008
	<u>203,890</u>	<u>286,981</u>

Operating leases are in place for office equipment and normally have a term between 1 and 5 years.

## Notes to the Financial Statements

For the Year Ended 31 December 2018

### 13 Financial Risk Management

The main risks Independent Education Union of Australia New South Wales /Australian Capital Territory Branch is exposed to through its financial instruments is liquidity risk, credit risk and market risk.

The Branch's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

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:

	Note	2018 \$	2017 \$
<b>Financial assets</b>			
Cash and cash equivalents	6	6,980,896	5,263,975
Trade and other receivables	7	774,113	845,695
		<u>7,755,009</u>	<u>6,109,670</u>
<b>Financial liabilities</b>			
Financial liabilities at amortised cost	9	541,198	731,414
<b>Total financial liabilities</b>		<u>541,198</u>	<u>731,414</u>

The Branch has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

#### Liquidity risk

Liquidity risk arises from the Branch's management of working capital and the finance charges and principal repayments on its debt instruments. 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.

## Notes to the Financial Statements

For the Year Ended 31 December 2018

### 13 Financial Risk Management (Continued)

#### Liquidity risk (Continued)

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

	Less than 1 year		Total	
	2018	2017	2018	2017
	\$	\$	\$	\$
Trade and other payables	<b>541,198</b>	731,414	<b>541,198</b>	731,414

#### Credit risk

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

The following table details the Branch's trade and other receivables exposure to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, within the terms and conditions agreed between the Branch and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there is objective evidence indicating that the debt may not be fully repaid to the Branch.



## Notes to the Financial Statements

For the Year Ended 31 December 2018

### 13 Financial Risk Management (Continued)

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Past due but not impaired (days overdue)			Within initial trade terms
	Gross amount	< 90 days	> 90	
	\$	\$	\$	
<b>2018</b>				
Trade receivables	800,273	44,386	36,929	718,958
Other receivables	7,915	-	-	7,915
Total	<u>808,188</u>	<u>44,386</u>	<u>36,929</u>	<u>726,873</u>
<b>2017</b>				
Trade receivables	893,802	1,417	86,467	805,918
Other receivables	42,942	-	-	42,942
Total	<u>936,744</u>	<u>1,417</u>	<u>86,467</u>	<u>848,860</u>

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

	2018	2017
	\$	\$
<b>Term Deposits</b>		
Interest income	<u>100,683</u>	<u>2,190</u>

## Notes to the Financial Statements

### For the Year Ended 31 December 2018

#### 13 Financial Risk Management (Continued)

##### (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.

#### 14 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:

	2018	2017
	\$	\$
Salary (including leave taken)	1,623,676	1,375,528
Leave accrued	194,618	320,957
	<u>1,818,294</u>	<u>1,696,485</u>
<b>Long-term benefits</b>		
Long service leave	114,932	59,613
	<u>114,932</u>	<u>59,613</u>
<b>Post-employment benefits</b>		
Superannuation	266,749	242,697
Termination benefits	-	-
	<u>266,749</u>	<u>242,697</u>
	<u><u>2,199,975</u></u>	<u><u>1,998,795</u></u>

Key management personnel are defined at note 17(a).

#### 15 Auditors' Remuneration

Remuneration of the auditor of the Branch for:

- auditing of the 2018 financial report - Daley & Co Chartered Accountants	42,000	-
- auditing of the 2017 financial report - Sutherland and Company	44,382	-
- auditing of the 2016 financial report - Sutherland and Company	-	34,963
<b>Total</b>	<u><u>86,382</u></u>	<u><u>34,963</u></u>

No other services were provided by Daley & Co Chartered Accountants during the 2018 year.

## Notes to the Financial Statements

For the Year Ended 31 December 2018

### 16 Contingencies

In the opinion of the Committee of Management the Branch did not have any contingencies at 31 December 2018 (31 December 2017: 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.

### 17 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 14: Key Management Personnel Disclosures.

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

*(ii) New South Wales Independent Education Union:*

The Branch is associated with the New South Wales Independent Education Union with the majority of members of the Branch also being members of the Branch.

**(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.

## Notes to the Financial Statements

For the Year Ended 31 December 2018

### 17 Related Parties (Continued)

The following transactions occurred with related parties:

	2018	2017
	\$	\$
<b>New South Wales Independent Education Union</b>		
- Income reimbursement	51,504	-
- Expense reimbursement	(5,632)	-
<b>Independent Union of Australia - National Office</b>		
- Payroll tax expense	(42,648)	(35,613)
- Postage expense	(728)	(651)
- Expense reimbursement	(4,313)	-
- Income reimbursement	282	673
<b>Independent Education Union of Australia - Queensland/Northern Territory Branch</b>		
- Publication sales	100,445	100,822
- Income reimbursement	218	-
<b>Independent Education Union of Australia - South Australian Branch</b>		
- Publication sales	407	374
- Income reimbursement	355	-
<b>Independent Education Union of Australia - Victoria/Tasmanian Branch</b>		
- Publication sales	93,168	93,213
- Income reimbursement	-	427
<b>Independent Education Union of Australia - Western Australian Branch</b>		
- Publication sales	795	779

Amounts owed to and amounts owed by the Branch to other Reporting Units are disclosed in notes 7(b) and 9(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.

## Notes to the Financial Statements

For the Year Ended 31 December 2018

### 18 Cash Flow Information

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

	2018	2017
	\$	\$
Result for the year	1,771,270	1,277,130
Cash flows excluded from profit attributable to operating activities		
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	71,582	2,941,395
- (increase)/decrease in prepayments	(5,634)	11,198
- increase/(decrease) in trade and other payables	10,900	(488,796)
- increase/(decrease) in employee benefits	(131,197)	262,713
Cashflows from operations	<u>1,716,921</u>	<u>4,003,640</u>

(b) Cash flow information - reporting units

**Net cash flows from Reporting Units:**

New South Wales Independent Education Union	44,856	2,939,663
Independent Education Union of Australia - National Office	311	740
Independent Education Union of Australia QLD/NT Branch	110,729	110,910
Independent Education Union of Australia VIC/TAS Branch	102,485	102,534
Independent Education Union of Australia WA Branch	875	856
Independent Education Union of Australia SA Branch	837	411

**Net cash flows to Reporting Units:**

Independent Education Union of Australia - National Office	(854,237)	(739,540)
New South Wales Independent Education Union	(5,820)	-

### 19 Events Occurring After the Reporting Date

No 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.

## Notes to the Financial Statements

### For the Year Ended 31 December 2018

#### 20 Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which 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).

#### 21 Correction of error

##### (a) Employee leave entitlements

During the current financial year, it was identified that the employee benefits provision were not previously recorded in accordance with AASB 119 *Employee Entitlements*. This has been updated to retrospectively include on-costs, inflation and discounting in accordance with the accounting policy disclosed at note 2(h). Furthermore, an adjustment has been to the split between current and non-current, with those leave entitlements where the Branch has no legal right to be deferred beyond 12 months being reclassified to current.

##### (b) Trade receivables from members

During the current financial year, it was identified that debtors relating to membership subscriptions had not been recorded in previous years, nor had an appropriate provision for doubtful debts. In accordance with AASB 9 *Financial Instruments* this has been applied retrospectively.

## Notes to the Financial Statements

For the Year Ended 31 December 2018

### 21 Correction of error (Continued)

#### (b) Trade receivables from members (Continued)

The implication of these errors are summarised as follows:

	Previously stated	31 December 2017 Adjustments	Restated	Previously stated	1 January 2017 Adjustments	Restated
	\$	\$	\$	\$	\$	\$
<b>Balance Sheet</b>						
<b>Current Assets</b>						
Trade and other receivables	44,768	800,927	845,695	3,097,994	735,431	3,933,425
Total current assets	5,331,264	800,927	6,132,191	4,392,048	735,431	5,127,479
Total assets	5,331,264	800,927	6,093,918	4,392,048	735,431	5,127,479
<b>Current liabilities</b>						
Trade and other payables	(650,326)	(81,088)	(731,414)	(694,774)	(72,209)	(766,983)
Other financial liabilities	(173,910)	(13,499)	(187,409)	(282,006)	(12,401)	(294,407)
Employee benefits	(1,121,186)	(2,608,014)	(3,729,200)	(1,170,246)	(2,307,822)	(3,478,068)
Total current liabilities	(2,118,535)	(2,491,215)	(4,648,023)	(2,539,592)	(2,392,432)	(4,932,023)
<b>Non-current liabilities</b>						
Employee benefits	(1,994,966)	1,976,392	(18,574)	(1,963,718)	1,956,726	(6,992)
Total non-current liabilities	(1,994,966)	1,976,392	(18,574)	(1,963,718)	1,956,726	(6,992)
Net assets	1,390,875	74,719	1,465,594	(111,261)	299,725	188,464
Retained earnings	1,390,875	74,719	1,465,594	(111,261)	299,725	188,464
<b>Total equity</b>	<b>1,390,875</b>	<b>74,719</b>	<b>1,465,594</b>	<b>(111,261)</b>	<b>299,725</b>	<b>188,464</b>

## Notes to the Financial Statements

For the Year Ended 31 December 2018

### 21 Correction of error (Continued)

	Previously stated \$	31 December 2017 Adjustments \$	Restated \$
<b>Statement of profit and loss and other comprehensive Income</b>			
Membership subscription revenue	13,923,625	87,696	14,011,321
Employee benefit expense	(8,998,006)	(280,525)	(9,278,531)
Other expenses	(368,081)	(32,176)	(400,257)
Result for the year	1,502,135	(225,005)	1,227,130

The above corrections have also been updated in the statement of cash flows.

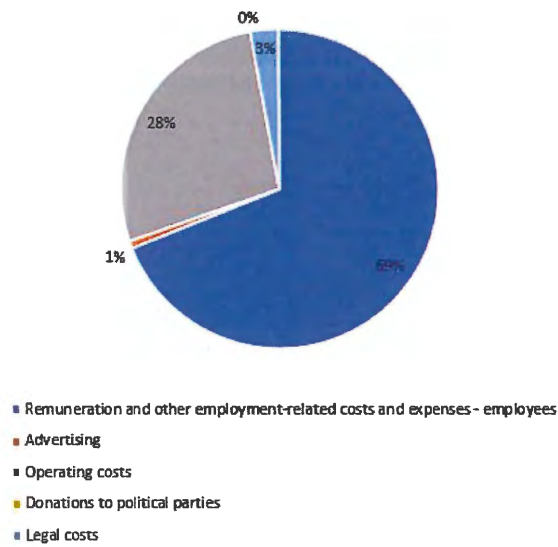


## Subsection 255 (2A) report

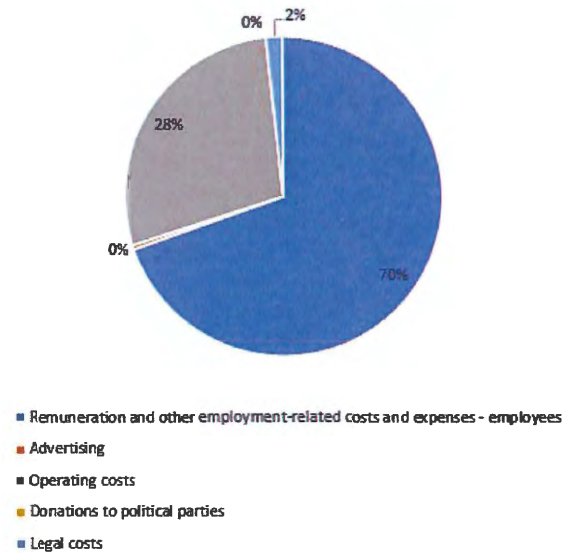
For the year ended 31 December 2018

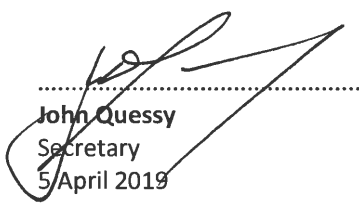
The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 December 2018.

2018 - Expenditure as required under s. 255(2A) RO Act



2017 - Expenditure as required under s. 255(2A) RO Act



  
.....  
**John Quessy**  
Secretary  
5 April 2019

## Officer Declaration Statement

I, John Quessy, 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 2018.

The reporting unit did not:

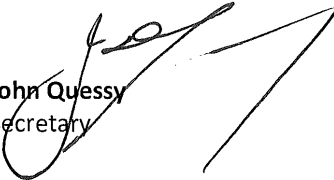
- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding 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 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 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~~
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- ~~have a receivable with other reporting unit(s)~~
- ~~have a payable with other reporting unit(s)~~
- ~~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 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~~

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

ABN: 91 925 561 384

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- ~~provide cash flows to another reporting unit and/or controlled entity~~
- ~~receive cash flows from another reporting units 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

  
John Quessy  
Secretary

5 April 2019

## 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

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 2018, 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 31 December 2018, 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 report presents fairly, in all material aspects, the financial positions of the Branch as at 31 December 2018, 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 reporting 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 *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

The Committee of Management are 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.

### 40.

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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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Committee Of Management for the Financial Report**

The Committee of Management of the 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 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 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 Management either intend to liquidate the Branch or to cease operations, or have no realistic alternative but to do so.

### **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 Management 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.

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 & Co  
Chartered Accountants



Stephen Milgate  
Partner

Registration number (as registered by the RO Commissioner under the RO Act): AA 2017/127

Wollongong  
5 April 2019

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