



20 August 2020

Mark Northam  
Branch Secretary  
Independent Education Union of Australia-New South Wales/Australian Capital Territory Branch

Sent via email: [mark@ieu.asn.au](mailto:mark@ieu.asn.au)  
CC: [daley@daley.com.au](mailto:daley@daley.com.au)

Dear Mark Northam,

**Independent Education Union of Australia-New South Wales/Australian Capital Territory Branch  
Financial Report for the year ended 31 December 2019 – (FR2019/335)**

I acknowledge receipt of the financial report for the year ended 31 December 2019 for the Independent Education Union of Australia-New South Wales/Australian Capital Territory Branch. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 22 June 2020.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that 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 (**RGs**) have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 31 December 2020 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these concerns have been addressed prior to filing next year's report.

**Nil activities disclosure**

Item 21 of the RGs states that if any of the activities identified within items 10-20 of the RGs have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. The notes and officer's declaration statement contained nil activity information for all prescribed reporting guideline categories except the following:

- Receive capitation fees from another reporting unit (RG 13(b)).

Please ensure in future years that the above mentioned items are disclosed in either the financial statements, the notes or in the officer's declaration statement as per the RGs.

## 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 queries regarding this letter, please contact me on (03) 9603 0764 or via email at [kylie.ngo@roc.gov.au](mailto:kylie.ngo@roc.gov.au).

Yours sincerely



**Kylie Ngo**  
**Registered Organisations Commission**

**Independent Education Union of Australia New South Wales / Australian Capital Territory Branch**  
s.268 Fair Work (Registered Organisations) Act 2009

**Certificate by Prescribed Designated Officer**  
Certificate for the year ended 31 December 2019

I, Mark Northam, being the 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 2019 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 2020; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 19 June 2020 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: 19 June 2020

**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 2019**

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For the Year Ended 31 December 2019

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## Operating Report

31 December 2019

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 2019.

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

<b>Name</b>	<b>Position</b>	<b>Period of appointment</b>
Mark Northam	Assistant Secretary	January 2019 - October 2019
	Secretary	October 2019 - December 2019
Carol Matthews	Assistant Secretary	January 2019 - October 2019
	Deputy Secretary	October 2019 - December 2019
John Quessy	Secretary	January 2019 - October 2019
Gloria Taylor	Deputy Secretary	January 2019 - October 2019
William Griffiths	Assistant Secretary	October 2019 - December 2019
Pamela Smith	Assistant Secretary	October 2019 - December 2019
Christine Wilkinson	President	January 2019 - December 2019
Louise Glase	Vice President (Non-Systemic)	January 2019 - October 2019
Bruce Paine	Vice President (Non-Systemic)	October 2019 - December 2019
Bernadette Baker	Vice President (Systemic)	January 2019 - December 2019
Gabrielle Connell	Vice President (Early Childhood Services)	January 2019 - December 2019
Carolyn Collins	Vice President (Support Staff)	January 2019 - December 2019
Leah Godfrey	Vice President (ACT)	January 2019 - October 2019
Angela McDonald	Vice President (ACT)	October 2019 - December 2019
Peter Moore	Financial Officer	January 2019 - December 2019
Marie MacTavish	Financial Officer	January 2019 - October 2019
Denise McHugh	General Executive Member	January 2019 - October 2019
	Financial Officer	October 2019 - December 2019
Libby Lockwood	General Executive Member	October 2019 - December 2019
Suzanne Penson	General Executive Member	January 2019 - December 2019
John O'Neill	General Executive Member	January 2019 - December 2019
Helen Templeton	General Executive Member	January 2019 - December 2019
Jeff Pratt	General Executive Member	January 2019 - December 2019
Simon Goss	General Executive Member	January 2019 - December 2019
Tina Ruello	General Executive Member	January 2019 - December 2019
Patricia Murnane	General Executive Member	January 2019 - October 2019
Amy Mead	General Executive Member	October 2019 - December 2019
Ross Conlon	General Executive Member	January 2019 - October 2019

## Operating Report

31 December 2019

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

Name	Position	Period of appointment
Phoebe Craddock-Lovett	General Executive Member	October 2019 - December 2019
Anna Luedi	General Executive Member	March 2019 - December 2019

### 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.
- 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 2019 was \$663,291 (2018: \$1,711,270) 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 29,690 (2018: 29,673).

### 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.

## Operating Report

31 December 2019

### Number of employees

The total number of full time equivalent employees as at 31 December 2019 was 67 (2018: 66).

**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 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:



.....  
Mark Northam

Secretary

Dated 8 May 2020



## Committee of Management Statement

On 8 May 2020 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 2019:

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 2019;
- (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.



.....  
Mark Northam

Secretary  
8 May 2020

## Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2019

	Note	2019 \$	2018 \$
Membership fees received	4	14,757,205	14,507,056
Other income	4	565,160	606,343
Employee costs	5	(10,171,690)	(9,245,815)
Affiliation and capitation fees		(915,444)	(845,929)
Meetings, conferences and events		(857,106)	(834,159)
Printing and publication expense		(508,976)	(527,511)
Legal costs	5	(355,552)	(375,521)
Information technology expenses		(409,739)	(273,825)
Property expenses		(257,788)	(258,665)
Insurance expense		(161,960)	(210,346)
Motor vehicle expense		(143,089)	(145,041)
Training expense		(65,729)	(103,372)
Campaign costs		(189,065)	(100,942)
Commission expense		(91,719)	(93,299)
Lease expenses	10	(51,436)	-
Donation expense	5	(1,950)	(2,450)
Depreciation expense	8(a)	(15,261)	-
Other expenses		(406,803)	(323,615)
Finance costs		(55,767)	(61,639)
<b>Result for the year</b>		<b>663,291</b>	<b>1,711,270</b>
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<b>663,291</b>	<b>1,711,270</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

### Balance Sheet

As at 31 December 2019

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	8,166,233	6,980,896
Trade and other receivables	7	240,026	485,539
Other assets	9	1,231	28,155
<b>TOTAL CURRENT ASSETS</b>		<b>8,407,490</b>	<b>7,494,590</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	397,833	-
Right-of-use assets	10	173,044	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>570,877</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>8,978,367</b>	<b>7,494,590</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	560,242	597,588
Lease liabilities	10	47,208	-
Employee benefits	14	4,229,473	3,601,280
Other financial liabilities	12	519,946	457,077
<b>TOTAL CURRENT LIABILITIES</b>		<b>5,356,869</b>	<b>4,655,945</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	10	126,527	-
Employee benefits	14	8,332	15,297
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>134,859</b>	<b>15,297</b>
<b>TOTAL LIABILITIES</b>		<b>5,491,728</b>	<b>4,671,242</b>
<b>NET ASSETS</b>		<b>3,486,639</b>	<b>2,823,348</b>
<b>EQUITY</b>			
Retained earnings		3,486,639	2,823,348
<b>TOTAL EQUITY</b>		<b>3,486,639</b>	<b>2,823,348</b>

The accompanying notes form part of these financial statements.

## Statement of Changes in Equity

For the Year Ended 31 December 2019

	<b>Retained Earnings \$</b>
<b>Balance at 1 January 2019</b>	<b>2,823,348</b>
Result for the year	<u>663,291</u>
<b>Balance at 31 December 2019</b>	<u><b>3,486,639</b></u>
<b>Balance at 1 January 2018</b>	1,112,078
Result for the year	<u>1,711,270</u>
<b>Balance at 31 December 2018</b>	<u><b>2,823,348</b></u>

The accompanying notes form part of these financial statements.

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## Statement of Cash Flows

For the Year Ended 31 December 2019

	2019	2018
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from members and other revenue received	17,276,240	16,914,420
Payments to suppliers and employees	(15,686,438)	(15,298,182)
Interest received	56,914	100,683
Net cash provided by/(used in) operating activities	20 <u>1,646,716</u>	<u>1,716,921</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(413,095)	-
Net cash provided by/(used in) investing activities	<u>(413,095)</u>	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of lease liabilities (2018: Finance leases) - principal repayments	(48,284)	-
Net cash provided by/(used in) financing activities	<u>(48,284)</u>	-
Net increase/(decrease) in cash and cash equivalents held	1,185,337	1,716,921
Cash and cash equivalents at beginning of year	6,980,896	5,263,975
Cash and cash equivalents at end of financial year	6 <u>8,166,233</u>	<u>6,980,896</u>

The accompanying notes form part of these financial statements.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 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) Revenue and other income

##### ***Revenue from contracts with customers - accounting policy applied from 1 January 2019***

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
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.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

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

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

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

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

##### ***Membership income***

Membership subscriptions contain promises to provide various services over a specified period of time. Revenue is recognised over time during the period of membership.

##### ***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.

##### ***Interest revenue***

Interest is recognised using the effective interest rate method.

##### ***Rendering of services - accounting policy applied prior to 1 January 2019***

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.

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.

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.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

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

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

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

#### (b) 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).

#### (c) 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.

#### (d) Leases

##### (i) Accounting policy applied from 1 January 2019

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.



## Notes to the Financial Statements

For the Year Ended 31 December 2019

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

#### (d) Leases (Continued)

##### (ii) 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.

##### (iii) 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.

##### (iv) 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.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

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

#### (d) Leases (Continued)

##### *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.

#### (v) Operating leases - accounting policy applied prior to 1 January 2019

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.

#### (e) 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.

#### (f) 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. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

#### (g) 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).

## Notes to the Financial Statements

For the Year Ended 31 December 2019

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

#### (g) Financial instruments (Continued)

##### 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
- 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 that 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 or fair value through other comprehensive income as described above are measured at FVTPL.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

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

#### (g) Financial instruments (Continued)

##### Financial assets (Continued)

Net gains or losses, including any interest or dividend income are recognised in profit or loss (refer to hedging accounting policy for derivatives designated as hedging instruments).

##### *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.

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.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

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

#### (g) Financial instruments (Continued)

##### Financial assets (Continued)

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 payables, bank and other loans and lease liabilities.

#### (h) 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.

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

## Notes to the Financial Statements

For the Year Ended 31 December 2019

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

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

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

#### (i) 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.

#### (j) Adoption of new and revised accounting standards

The Branch has adopted all standards which became effective for the first time at 31 December 2019. Refer to Note 22 for details of the changes due to standards adopted.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

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

#### (k) New Accounting Standards and Interpretations not yet adopted

Certain new accounting standards have been published that are not mandatory for 31 December 2019 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.

### 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.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 4 Revenue and Other Income

	2019	2018
	\$	\$
<b>Revenue from contracts with customers</b>		
- Membership income	<u>14,757,205</u>	<u>14,507,056</u>
<b>Other income</b>		
- Interest income	56,914	100,683
- Directors fees	99,062	116,951
- Publication income	309,332	316,331
- Other income	<u>99,852</u>	<u>72,378</u>
	<u>565,160</u>	<u>606,343</u>

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

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

	2019
	\$
<b>Timing of revenue recognition</b>	
- At a point in time	-
- Over time	<u>14,757,205</u>
<b>Revenue from contracts with customers</b>	<u>14,757,205</u>



## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 5 Result for the Year

	2019	2018
	\$	\$
<b>Employee Expenses</b>		
<i>Office holders*</i>		
Wages and salaries	1,971,985	1,641,485
Superannuation	263,767	266,749
Leave and other entitlements	568,070	291,741
Other employee expenses (Fringe benefits and payroll tax)	198,224	110,072
	<u>3,002,046</u>	<u>2,310,047</u>
<i>Employees other than office holders</i>		
- Wages and salaries	6,014,656	6,103,350
- Superannuation	753,376	709,254
- Leave and other entitlements	52,467	(352,812)
- Separation and redundancies	-	66,707
- Other employee expenses (Fringe benefits and payroll tax)	349,145	409,269
	<u>7,169,644</u>	<u>6,935,768</u>
	<u>10,171,690</u>	<u>9,245,815</u>
* Office holders are defined by the RO Act.		
<b>Legal Costs</b>		
Litigation	340,434	370,958
Other Legal Matters	15,118	4,563
	<u>355,552</u>	<u>375,521</u>
<b>Grants &amp; donations</b>		
Donations - total paid that were \$1,000 or less	1,950	2,450

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 5 Result for the Year (Continued)

	Note	2019 \$	2018 \$
<b>Affiliation fees</b>			
Independent Education Union of Australia		200,108	177,325
Unions NSW		81,220	82,123
Welfare Right Centre		13,838	13,838
Unions ACT		11,880	12,496
Newcastle Trade Hall Council		3,178	3,116
South Coast Labor Council		3,272	-
Workers Health Centre		1,625	1,590
		<u>315,121</u>	<u>290,488</u>
Capitation fees - Independent Education Union of Australia		600,323	555,441
Consideration to employers for payroll deductions of membership subscriptions		91,719	93,299
Conference and meeting expenses		591,164	581,238
Fees/allowances - meeting and conferences		265,942	252,922
<b>6 Cash and Cash Equivalents</b>			
Cash at bank and on hand		<u>8,166,233</u>	<u>6,980,896</u>
<b>7 Trade and Other Receivables</b>			
Trade receivables from contracts with customers		391,849	414,178
Provision for impairment	(a)	(158,557)	(60,456)
		<u>233,292</u>	<u>353,722</u>
Other receivables		6,734	131,817
		<u>240,026</u>	<u>485,539</u>

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 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 2019 is determined as follows, the expected credit losses incorporate forward looking information.

	Current	< 90 days overdue	> 90 days overdue	Total
<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	1,421	58,274	98,862	158,557
<b>31 December 2018</b>				
Expected loss rate (%)	1.00	40.00	95.00	
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 and related parties

	2019 \$	2018 \$
New South Wales Independent Education Union	51	11,791
Independent Education Office of Australia Western Australian Branch	-	298

None of the receivables from other reporting units and related parties are deemed impaired (2018: \$Nil).

## Notes to the Financial Statements

For the Year Ended 31 December 2019

<b>8 Property, plant and equipment</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Buildings improvements		
At cost	305,378	-
Accumulated depreciation	(4,869)	-
	<u>300,509</u>	<u>-</u>
Plant and equipment		
At cost	47,255	-
Accumulated depreciation	(4,848)	-
	<u>42,407</u>	<u>-</u>
Furniture, fixtures and fittings		
At cost	37,489	-
Accumulated depreciation	(2,825)	-
	<u>34,664</u>	<u>-</u>
Motor vehicles		
At cost	22,972	-
Accumulated depreciation	(2,719)	-
	<u>20,253</u>	<u>-</u>
<b>Total property, plant and equipment</b>	<u><u>397,833</u></u>	<u><u>-</u></u>

**Notes to the Financial Statements**

For the Year Ended 31 December 2019

**8 Property, plant and equipment (Continued)**

**(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:

	Buildings improvements \$	Plant and Equipment \$	Furniture, Fixtures and Fittings \$	Motor Vehicles \$	Total \$
<b>Year ended 31 December 2019</b>					
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>397,833</b>

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 9 Other Assets

	2019	2018
	\$	\$
Prepayments	1,231	28,155

### 10 Leases

The Branch has applied AASB 16 using the modified retrospective (cumulative catch-up) method and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related Interpretations.

#### 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 2019</b>	
Balance at beginning of year	163,080
Depreciation charge	(43,271)
Additions to right-of-use assets	53,235
<b>Balance at end of year</b>	<b>173,044</b>

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 10 Leases (Continued)

#### (b) Lease liabilities

	2019	1 January 2019
	\$	\$
Current	47,208	38,619
Non-current	126,527	124,461
	<u>173,735</u>	<u>163,080</u>

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

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Balance Sheet
	\$	\$	\$	\$	\$
<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:

	2019
	\$
Lease interest expense	8,165
Depreciation of right-of-use asset	43,271
	<u>51,436</u>

#### Statement of Cash Flows

Total cash outflow for leases	48,284
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## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 11 Trade and Other Payables

	2019	2018
	\$	\$
Trade payables	127,005	408,143
Other payables	433,237	189,445
	<u>560,242</u>	<u>597,588</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	-	3,335
New South Wales Independent Education Union	16,330	106

#### (b) Other payables disclosures

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

### 12 Other Financial Liabilities

Revenue received in advance	<u>519,946</u>	<u>457,077</u>
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## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 13 Capital and Leasing Commitments

#### (a) Operating Leases

	2019	2018
	\$	\$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	-	71,788
- between one year and five years	-	132,102
	<u>-</u>	<u>203,890</u>

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

Refer to note 10 for information on leases for 2019.

### 14 Employee Benefits

	2019	2018
	\$	\$
<i>Current liabilities</i>		
Annual leave	1,462,532	1,266,825
Long service leave	2,766,941	2,334,455
	<u>4,229,473</u>	<u>3,601,280</u>
 <i>Non-current liabilities</i>		
Long service leave	<u>8,332</u>	<u>15,297</u>

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 14 Employee Benefits (Continued)

(a) Total employee benefits attributable to:

	2019	2018
	\$	\$
<b>Employee provisions</b>		
<i>Office Holders* - Current</i>		
Annual leave	631,371	541,866
Long service leave	1,584,157	1,104,902
	<u>2,215,528</u>	<u>1,646,768</u>
<i>Employees other than office holders - Current</i>		
Annual leave	831,161	724,939
Long service leave	1,182,783	1,229,573
	<u>2,013,944</u>	<u>1,954,512</u>
<i>Employees other than office holders - Non-current</i>		
Long service leave	8,332	15,297
	<u>8,332</u>	<u>15,297</u>
	<u><u>4,237,804</u></u>	<u><u>3,616,577</u></u>

\* Office holders are defined by the RO Act.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 15 Financial Risk Management

		2019	2018
		\$	\$
<b>Financial assets</b>			
Held at amortised cost			
Cash and cash equivalents	6	8,166,233	6,980,896
Trade and other receivables	7	240,027	485,539
<b>Total financial assets</b>		<b>8,406,260</b>	<b>7,466,435</b>
<b>Financial liabilities</b>			
Financial liabilities at amortised cost	11	560,242	597,588
Lease liabilities	10	173,735	-
<b>Total financial liabilities</b>		<b>733,977</b>	<b>597,588</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	
	2019	2018	2019	2018
	\$	\$	\$	\$
Trade and other payables	560,242	597,588	560,242	597,588

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 15 Financial Risk Management (Continued)

#### 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

	2019	2018
	\$	\$
<b>Term Deposits</b>		
Interest income	56,914	100,683

#### (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 2019

### 16 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:

	2019	2018
	\$	\$
Salary (including leave taken)	1,783,267	1,623,676
Leave accrued	324,992	194,618
	<u>2,108,259</u>	<u>1,818,294</u>
<b>Long-term benefits</b>		
Long service leave	432,486	114,932
	<u>432,486</u>	<u>114,932</u>
<b>Post-employment benefits</b>		
Superannuation	263,767	266,749
	<u>263,767</u>	<u>266,749</u>
	<u>2,804,512</u>	<u>2,199,975</u>

Key management personnel are defined at note 19(a).

### 17 Auditors' Remuneration

Remuneration of the auditor of the Branch for:

- auditing of the financial report - Daley Audit	52,500	42,000
- auditing of the 2017 financial report - Sutherland and Company	-	44,382
	<u>52,500</u>	<u>86,382</u>
<b>Total</b>	<u>52,500</u>	<u>86,382</u>

No other services were provided by Daley Audit during the 2019 year (2018: Nil).

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 18 Contingencies

In the opinion of the Committee of Management the Branch did not have any contingencies at 31 December 2019 (31 December 2018: 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.

### 19 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 16: 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.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 19 Related Parties (Continued)

#### (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 11(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 2019

### 19 Related Parties (Continued)

The following transactions occurred with related parties:

	2019	2018
	\$	\$
<b>New South Wales Independent Education Union</b>		
- Income reimbursement	16,136	51,504
- Expense reimbursement	(5,940)	(5,632)
<b>Independent Union of Australia - National Office</b>		
- Payroll tax expense	(41,755)	(42,648)
- Postage expense	(639)	(728)
- Expense reimbursement	-	(4,313)
- Income reimbursement	900	282
<b>Independent Education Union of Australia - Queensland/Northern Territory Branch</b>		
- Publication sales	98,794	100,445
- Income reimbursement	-	218
- Expense reimbursement	(436)	-
<b>Independent Education Union of Australia - South Australia Branch</b>		
- Publication sales	-	407
- Income reimbursement	-	355
- Expense reimbursement	(423)	-
<b>Independent Education Union of Australia - Victoria/Tasmania Branch</b>		
- Publication sales	92,908	93,618
- Expense reimbursement	(218)	-
<b>Independent Education Union of Australia - Western Australia Branch</b>		
- Publication sales	812	795



## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 20 Cash Flow Information

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

	2019	2018
	\$	\$
Result for the year	663,291	1,771,270
Cash flows excluded from profit attributable to operating activities		
- depreciation	58,532	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	245,513	71,582
- (increase)/decrease in other assets	26,928	(5,634)
- increase/(decrease) in trade and other payables	24,259	10,900
- increase/(decrease) in employee benefits	628,193	(131,197)
Cashflows from operations	<u>1,646,716</u>	<u>1,716,921</u>

(b) Cash flow information - reporting units

**Net cash flows from Reporting Units:**

Independent Education Union of Australia - National Office	990	311
Independent Education Union of Australia QLD/NT Branch	109,154	110,729
Independent Education Union of Australia VIC/TAS Branch	102,438	102,485
Independent Education Union of Australia WA Branch	893	875
Independent Education Union of Australia SA Branch	465	837

**Net cash flows to Reporting Units:**

Independent Education Union of Australia - National Office	(922,932)	(854,237)
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## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 21 Events Occurring After the Reporting Date

Unprecedented developments have arisen subsequent to balance date due to the COVID-19 pandemic. Given the ongoing measures implemented by the State and Federal Government's, there has already been a significant impact upon the economy, which is yet to be fully realised, notwithstanding stimulus measures announced. It is likely that there will be wide-ranging impacts for the Branch, including the potential:

- loss of membership and rental income;
- reductions in the market value of investments and properties;
- worsening debtor collections and possible impairment; and
- favourable stimulus measures by the government

The ultimate extent of the financial outcomes as they affect the Branch are currently unable to be reliably quantified. However, substantial unencumbered liquid financial reserves have been accumulated; which will allow the Branch to withstand a prolonged downturn in the general economy – prior to any consideration of further government stimulus measures. Furthermore, the membership base consists of essential service workers whom will continue to engage the Union for representation. Accordingly, at the date of signing this financial report, the Committee of Management remain confident that the Branch will remain a going concern.

The Committee of Management for the New South Wales Independent Education Union is currently in the process of winding up the Union and subsequent to balance date, they have commenced transferring assets to Independent Education Union of Australia - New South Wales/Australian Capital Territory Branch for nil consideration.

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.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 22 Change in Accounting Policy

On 1 January 2019 the Branch adopted the following new accounting standards that were mandatory for the first time:

- AASB 15 *Revenue from contracts with customers*
- AASB 16 *Leases*
- AASB 1058 *Income for Not-for-Profit Entities*

All standards have been applied to the year ended 31 December 2019, however, as allowed, comparatives have not been restated.

AASB 15 and AASB 1058 resulted in changes to accounting policies, however no adjustments were required to be recognised in the financial statements.

The following changes were required to be made a result of adopting AASB 16:

	Previously stated \$	1 January 2019 Adjustments \$	Restated \$
<b>Balance Sheet</b>			
<b>Non-current assets</b>			
Right-of-use assets	-	163,080	163,080
Total non-current assets	-	163,080	163,080
Total assets	7,494,590	163,080	7,657,670
<b>Current liabilities</b>			
Current liabilities	4,591,003	-	4,591,003
Lease liabilities	-	38,619	38,619
Total current liabilities	4,599,555	38,619	4,638,174
<b>Non-current liabilities</b>			
Lease liabilities	-	124,461	124,461
Total non-current liabilities	15,297	124,461	139,758
<b>Net assets</b>	2,823,348	-	2,823,348
<b>Total equity</b>	2,823,348	-	2,823,348

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 23 Correction of prior period error

It was noted that the membership report from prior years incorrectly calculated the amount some members owed or were in advance at year end. This did not have a material impact on the revenue recorded for the year ended 31 December 2018.

The aggregate effect of the error on the annual financial statements for the year ended 31 December 2018 is as follows:

	Previously stated	31 December 2018 Adjustments	Restated
	\$	\$	\$
<b>Balance Sheet</b>			
Trade and other receivables	830,503	(344,964)	485,539
Current assets	7,839,554	(344,964)	7,494,590
Total assets	7,839,554	(344,964)	7,494,590
Other financial liabilities	448,525	8,552	457,077
Current liabilities	4,591,003	8,552	4,599,555
Total liabilities	4,606,300	8,552	4,614,852
Net assets	3,176,864	(353,516)	2,823,348
Retained earnings	3,176,864	(353,516)	2,823,348
Total equity	3,176,864	(353,516)	2,823,348

### 24 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:

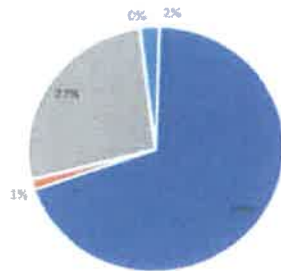
1. A member of a reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
2. The application must be in writing and must specify the period within which, and the 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 2019

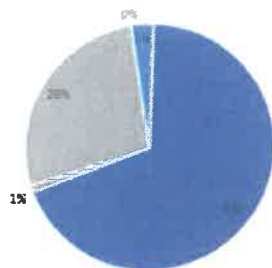
The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 December 2019.

2019 - Expenditure as required under s. 255(2A) RO Act



- Remuneration and other employment-related costs and expenses - employees
- Advertising
- Operating costs
- Donations to political parties
- Legal costs

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



- Remuneration and other employment-related costs and expenses - employees
- Advertising
- Operating costs
- Donations to political parties
- Legal costs

Mark Northam  
Secretary  
Dated: 8 May 2020

## 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 2019 (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 or 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 or 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~~
- 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)~~

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

ABN: 91 925 561 384

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- ~~• 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 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

**Mr Mark Northam**

Secretary



Dated: 8 May 2020

## 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 2019, 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 2019 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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is authorised by a  
"substantially approved" auditor  
Professional Standard  
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## **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  
8 May 2020

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

Liability limited by a Scheme under Professional Standards Legislation.