



28 May 2014

Terry Burke
Secretary
Independent Education Union, Queensland and Northern Territory Branch
PO Box 418
Fortitude Valley QLD 4006

via e-mail: tburke@qieu.asn.au

Dear Mr Burke

**Independent Education Union, Queensland and Northern Territory Branch
Financial Report for the year ended 31 December 2013 - FR2013/475**

I acknowledge receipt of the financial report for the year ended 31 December 2013 for the Independent Education Union, Queensland and Northern Territory Branch. The financial report was lodged with the Fair Work Commission (FWC) on 20 May 2014.

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 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 2014 may be subject to an advanced compliance review.

I make the following comment to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged.

Auditor's report: declaration regarding going concern

Paragraph 45 of the reporting guidelines requires an auditor to include in the auditor's statement a declaration that as part of the audit of the financial statement they have concluded that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate. This declaration was not included in the auditor's statements.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7675 or by email at ken.morgan@fwc.gov.au

Yours sincerely

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

Ken Morgan
Financial Reporting Advisor
Regulatory Compliance Branch

Registered office

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SPRING HILL QLD 4000

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Our ref: F:/data/finance/admin/auditedaccounts/
IEUA-QNT/2013/IEUA-QNTAA0213tb:ew
3/3/8b; 8/14/7; 3/3/4; 1/7/2

Tuesday, 20 May 2014

The Manager
Organisations, Research and Advice Branch
Fair Work Commission
GPO Box 1994
MELBOURNE VIC 3001

By Email: orgs@fwc.gov.au

Dear Sir/Madam

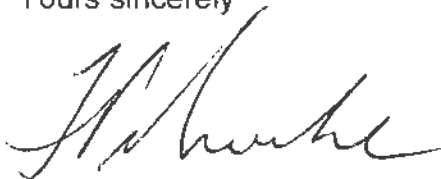
Re: IEUA-QNT Financial Report to Members 2013

In accordance with the *Fair Work (Registered Organisations) Act 2009*, please find attached the Independent Education Union – Queensland and Northern Territory Branch (IEUA-QNT) Financial Report to Members for the year ending 31 December 2013.

Also attached is the signed Certificate by Prescribed Designated Officer for the relevant period.

Please do not hesitate to contact me if you require any further information in relation to the audited financial accounts.

Yours sincerely



**TERRY BURKE
SECRETARY**

Att.



**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
QUEENSLAND AND NORTHERN TERRITORY BRANCH**

**FINANCIAL REPORT TO MEMBERS
FOR THE YEAR ENDING 31 DECEMBER 2013**

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
QUEENSLAND AND NORTHERN TERRITORY BRANCH**

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THE INDEPENDENT EDUCATION UNION OF AUSTRALIA QUEENSLAND AND NORTHERN TERRITORY BRANCH

OPERATING REPORT

The Branch Executive (committee of management) of the Independent Education Union of Australia – Queensland and Northern Territory Branch presents its report for the period ended 31 December 2013.

Review of Principal Activities and Results

The principal activity of the Branch during the year was that of a branch of a registered union of employees. Those activities included, but were not limited to:

- Recruitment and retention of members;
- Provision of support and advice to members;
- Provision of support for overseas activities such as ongoing support for the Council of Pacific Education and the Shanghai Union Relationship;
- Provision of support for the federal union agenda in education, equity and industrial issues.

The Branch's principal activities resulted in:

- Maintenance and improvement of wages and conditions of employment for our members, especially those covered by collective bargaining agreements negotiated by our union;
- Growth of our solid membership base in Queensland and the Northern Territory, demonstrating member satisfaction of the support and advice currently provided to them; and
- Enhancement of our developing relationship with overseas organisations.

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

Significant Changes in Financial Affairs

There were no significant changes in the financial affairs of the Branch.

Right of Members to Resign

In accordance with Rule 21 of the Independent Education Union of Australia, a member may resign from membership by written notice addressed and delivered to the Branch Secretary.

Officers and Employees who are Superannuation Fund Trustees or are Directors of a Company that is a Superannuation Fund Trustee are:

Terry Burke	Branch Secretary	Director of QIEC Pty Ltd, the Corporate Trustee of QIEC Super
John Spriggs	Senior Industrial Officer	Director of QIEC Pty Ltd, the Corporate Trustee of QIEC Super
Greg McGhie	Organiser	Director of QIEC Pty Ltd, the Corporate Trustee of QIEC Super
Chris Seymour	Organiser	Alternate Director of QIEC Pty Ltd, the Corporate Trustee of QIEC Super

Number of Members

The number of members recorded at the end of the financial year was 16,473.

Number of Employees

The number of employees (on a full time equivalent basis) at the end of the financial year was nil.

Names of Committee of Management Members and the Periods Held During the Financial Year

Queensland Division:

The following persons held positions on the Committee of Management for the full 12 months of this reporting period:

Terry Burke	Branch Secretary
Paul Giles	Assistant Branch Secretary/Treasurer
Roslyn McLennan	Assistant Branch Secretary
Andrew Elphinstone	President
Aleisha Connellan	Senior Vice-President (Queensland Division)
Des McGovern	Junior Vice-President
Bryce Goldberg	Committee Member
Denis Kettle	Committee Member
Robert Amedee	Branch Executive Member
Jane Blackburn	Branch Executive Member
Peter Butler-Wood	Branch Executive Member
Lynette Byrnes	Branch Executive Member
Christopher Chapman	Branch Executive Member
Pamela Chetwyn	Branch Executive Member
Beverley Day	Branch Executive Member
David Frazer	Branch Executive Member
Colin Grant	Branch Executive Member
Lorraine Hellmrich	Branch Executive Member
John Kennedy	Branch Executive Member
Rosemary Lacey	Branch Executive Member
Kerry Laws	Branch Executive Member
Lea Martin	Branch Executive Member
Mary Osterio	Branch Executive Member
Andrew Stein	Branch Executive Member
Andrew Street	Branch Executive Member

Northern Territory Division:

The following persons held positions on the Committee of Management for the full 12 months of this reporting period:

Erica Schultz	Senior Vice-President (Northern Territory Division)
Nuala Cullen	Branch Executive Member - resigned 31/12/2013
Louise Lenzo	Branch Executive Member
Sam Typuszak	Branch Executive Member

No Officer held a Committee of Management position for a lesser period than the full year.

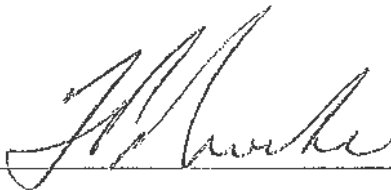
Officers and Employees who are Directors of a Company or Members of a Board are:

Name: Rosemary Lacey
Union Position: Branch Executive Member
Directorship: Geoff Lacey Consulting Pty Ltd
Principal Activities: Family consultancy company
The officer does not hold the position because they are an officer or employee of the reporting unit or were nominated for the position by the reporting unit or by a peak council.

Name: Terence Burke
Union Position: Branch Secretary
Directorship: The Private Capital Group Pty Ltd
Principal Activities: Infrastructure investment
The officer does not hold the position because they are an officer or employee of the reporting unit or were nominated for the position by the reporting unit or by a peak council.
Directorship: TIF International 1 Pty Ltd
Principal Activities: Infrastructure investment
The officer does not hold the position because they are an officer or employee of the reporting unit or were nominated for the position by the reporting unit or by a peak council.
Directorship: Teachers Union Health Fund Ltd
Principal Activities: Health insurance
The officer does not hold the position because they are an officer or employee of the reporting unit or were nominated for the position by the reporting unit or by a peak council.

Date: 21 March 2014

Signature of designated officer



A handwritten signature in black ink, appearing to read 'T. Burke', is written over a horizontal line.

Name of designated officer: Terry Burke – Branch Secretary

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
QUEENSLAND AND NORTHERN TERRITORY BRANCH**

COMMITTEE OF MANAGEMENT REPORT

On 23 March 2014 the Branch Executive of the Independent Education Union of Australia – Queensland and Northern Territory Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the period ended 31 December 2013.

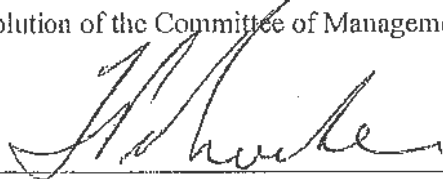
The IEUA-QNT Branch Executive declares that in its opinion:

- (a) the financial statements and notes comply with Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager of the Fair Work Commission;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act ; and
 - (iv) information has been furnished to any member of the reporting unit or to the General Manager of the Fair Work Commission, as the case may be, where information sought by the member or the General Manager of the Fair Work Commission was duly made under section 272 of the RO Act; and
 - (v) there has been compliance with any order for inspection of financial records made by the Fair Work Commission under section 273 of the RO Act.
- (f) the reporting unit has not engaged in recovery of wages activity which has resulted in the derivation of revenue in respect of such activity.

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

Date: 23 March 2014

Signature of designated officer



Name of designated officer: Terry Burke -- Branch Secretary

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
QUEENSLAND AND NORTHERN TERRITORY BRANCH**

FINANCIAL STATEMENTS -- 31 DECEMBER 2013

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**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
QUEENSLAND AND NORTHERN TERRITORY BRANCH**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013	2012
		\$	\$
REVENUE			
Membership Subscriptions		329569	303172
Affiliation Fees	2A	400350	382500
Levies	2C	-	-
Interest	2D	31460	23912
Grants and/or Donations	2E	-	-
		<hr/>	<hr/>
Total Revenue		761379	709584
EXPENSES			
Employee Expenses	3A	112876	110840
Capitation Fees	3B	305885	288806
Affiliation Fees	3C	2792	3383
Administration Expenses	3D	159262	96899
Grants or Donations	3E	6000	5000
Depreciation and Amortisation	3F	518	532
Legal Costs	3G	10251	4000
Audit Fees	10	4300	3000
Other Expenses	3H	32409	18156
		<hr/>	<hr/>
Total Expenses		634293	530616
Surplus for the Year		127086	178968
Total Comprehensive Income for the Year		127086	178968

The above statement should be read in conjunction with the notes

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
QUEENSLAND AND NORTHERN TERRITORY BRANCH**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013**

	Note	2013 \$	2012 \$
CURRENT ASSETS			
Cash and Equivalents	4A	996598	829793
Trade & Other Receivables	4B	29363	47532
Other Current Assets	4C	<u>240</u>	<u>440</u>
		1026201	877765
NON-CURRENT ASSETS			
Office Furniture & Equipment -- at cost	5	<u>2248</u>	<u>2426</u>
TOTAL ASSETS		<u>1028449</u>	<u>880191</u>
CURRENT LIABILITIES			
Trade Payables	6A	39298	26397
Other Payables	6B	<u>41416</u>	<u>33145</u>
TOTAL LIABILITIES		<u>80714</u>	<u>59542</u>
NET ASSETS		<u>947735</u>	<u>820649</u>
Represented By:			
EQUITY - MEMBERS' FUNDS			
Retained Earnings		<u>947735</u>	<u>820649</u>
		<u>947735</u>	<u>820649</u>

The above statement should be read in conjunction with the notes

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
QUEENSLAND AND NORTHERN TERRITORY BRANCH**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Retained Earnings	Total Equity
Balance as at 1 January 2012	641681	641681
Surplus for Year	<u>178968</u>	<u>178968</u>
Closing Balance as at 31 December 2012	820649	820649
Surplus for Year	<u>127086</u>	<u>159486</u>
Closing Balance as at 31 December 2013	<u>947735</u>	<u>980135</u>

The above statement should be read in conjunction with the notes

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
QUEENSLAND AND NORTHERN TERRITORY BRANCH**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 \$	2012 \$
OPERATING ACTIVITIES			
Cash Received			
Receipts from Other Reporting Units/Related Parties	8B	400350	373387
Interest		31460	23912
Membership		<u>347738</u>	<u>307746</u>
		779548	705045
Cash Used			
Suppliers		50748	61213
Payment to Other Reporting Units/Related Parties	8B	<u>561655</u>	<u>482127</u>
Net Cash from (used by) Operating Activities	8A	<u><u>167145</u></u>	<u><u>161705</u></u>
INVESTING ACTIVITIES			
Cash Received			
		-	-
Cash Used			
Purchase of Plant and Equipment		<u>(340)</u>	<u>(1927)</u>
Net Cash from (used by) Investing Activities		<u><u>(340)</u></u>	<u><u>(1927)</u></u>
FINANCING ACTIVITIES			
Cash Received			
		-	-
Cash Used			
		<u>-</u>	<u>-</u>
Net Cash from (used by) Financing Activities		<u><u>-</u></u>	<u><u>-</u></u>
Net Increase (Decrease) in Cash held		<u>166805</u>	<u>159778</u>
Cash & Cash equivalents at the beginning of the reporting period		<u>829793</u>	<u>670015</u>
Cash & Cash Equivalents at the end of the reporting period	4A	<u><u>996598</u></u>	<u><u>829793</u></u>

The above should be read in conjunction with the accompanying notes

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
QUEENSLAND AND NORTHERN TERRITORY BRANCH**

**RECOVERY OF WAGES ACTIVITY
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013	2012
	\$	\$
Cash Assets in respect of recovered money at beginning of year	-	-
Receipts	-	-
Payments	<u>-</u>	<u>-</u>
Cash Assets in respect of recovered money at end of year	<u>-</u>	<u>-</u>

The above statement should be read in conjunction with the notes

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
QUEENSLAND AND NORTHERN TERRITORY BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 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 Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, the Independent Education Union of Australia Queensland and Northern Territory 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 at 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.

1.2 Comparative Amounts

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

1.3 Accounting Judgements and Estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical Accounting Estimates and Assumptions

The Branch makes estimates and assumptions concerning the future. The resulting accounting estimates by definition seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

(b) Critical Judgements in applying the Branch's Accounting Principles

There are no critical judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date stated in the standard.

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

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
QUEENSLAND AND NORTHERN TERRITORY BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

1.4 New Australian Accounting Standards (cont'd)

Accounting Standards Issued But Not Yet Effective

There have been no accounting standards issued which will have a financial impact on the financial report in future periods and which are not yet effective.

1.5 Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Donation income is recognised when it is received.

Interest revenue is recognised as received.

1.6 Affiliations, Capitation Fees and Levies

Affiliations, Capitation Fees and Levies are recognised on an accrual basis and recorded as a revenue and/or expense in the year to which they relate.

1.7 Employee Benefits

As outlined in Note 9 the Queensland Independent Education Union provides staff and administrative services to the Independent Education Union of Australia - Queensland and Northern Territory Branch. These costs are reimbursed by the Branch as incurred. The liability for benefits accruing to employees is taken up in the accounts of the Queensland Independent Education Union.

1.8 Cash

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

1.9 Contingent Liabilities and Contingent Assets

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

1.10 Office Furniture and Equipment

Asset Recognition Threshold

Purchases of office furniture and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
QUEENSLAND AND NORTHERN TERRITORY BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

Depreciation

Depreciable office furniture and equipment are written off to their estimated residual values over their estimated useful life. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2013	2012
Office Furniture and Equipment	5 to 10 years	5 to 10 years

Derecognition

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

1.11 Impairment for Non-Financial Assets

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

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

1.12 Taxation

The Union is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997, however still has obligation for Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
QUEENSLAND AND NORTHERN TERRITORY BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

NOTE 2 INCOME	2013	2012
	\$	\$
Note 2A: Affiliation Fees		
Queensland Independent Education Union	<u>400350</u>	<u>382500</u>
Note 2B: Capitation Fees	-	-
Note 2C: Levies	<u>-</u>	<u>-</u>
Note 2D: Interest		
Deposits	<u>31460</u>	<u>23912</u>
Total Interest	<u>31460</u>	<u>23912</u>
Note 2E: Grants or Donations	<u>-</u>	<u>-</u>
NOTE 3 EXPENSES		
Note 3A: Employee Expenses		
Holders of Office	<u>-</u>	<u>-</u>
Employees other than Office Holders:		
Wages and Salaries	90448	88072
Superannuation	13384	13056
Leave and Other Entitlements	-	-
Separation and Redundancies	-	-
Other Employee Expenses	<u>9044</u>	<u>9712</u>
Subtotal Employee Expenses other than Office Holders	<u>112876</u>	<u>110840</u>
Total Employee Expenses	<u>112876</u>	<u>110840</u>
Note 3B: Capitation Fees		
Independent Education Union of Australia	<u>305885</u>	<u>288806</u>
Note 3C: Affiliation Fees		
Union Shopper	2115	2966
NT Trades & Labour Council	<u>677</u>	<u>417</u>
	<u>2792</u>	<u>3383</u>

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
QUEENSLAND AND NORTHERN TERRITORY BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013	2012
Note 3D: Administration Expenses	\$	\$
Consideration to Employers for Payroll Deductions	-	-
Compulsory Levies:		
Independent Education Union of Australia - IR Levy	32400	-
Travel & Allowances - Meeting and Conferences	76331	55260
Conference and Meeting Expenses	12578	3629
Property Expenses	4364	4236
Office Expenses	10604	10668
Information Communications Technology	10952	10040
Other	12033	13066
Total Administration Expenses	<u>159262</u>	<u>96899</u>
 Note 3E: Grants or Donations		
Grants - Council of Pacific Education	6000	5000
Donations	-	-
	<u>6000</u>	<u>5000</u>
 Note 3F: Depreciation and Amortisation		
Depreciation		
Office Furniture and Equipment	518	532
Total Depreciation	<u>518</u>	<u>532</u>
 Note 3G: Legal Costs		
Litigation	-	-
Other Legal Matters	10251	4000
Total Legal Costs	<u>10251</u>	<u>4000</u>
 Note 3H: Other Expenses		
Penalties - via RO Act or RO Regulations	-	-
Branch Expenditure	4255	3603
Industrial Campaign Expenditure	5566	5509
Shanghai Relationship	9705	6480
Building Union Strength	12883	2564
Total Other Expenses	<u>32409</u>	<u>18156</u>

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
QUEENSLAND AND NORTHERN TERRITORY BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

NOTE 4 CURRENT ASSETS	2013	2012
	\$	\$
Note 4A: Cash and Cash Equivalents		
Cash at Bank	296598	129793
Cash on Hand	-	-
Short Term Deposits	700000	700000
Other	-	-
Total Cash and Cash Equivalents	<u>996598</u>	<u>829793</u>
Note 4B: Trade and Other Receivables		
Receivables from Other Reporting Units	-	-
Less Provision for Doubtful Debts	-	-
Receivable from Other Reporting Units (net)	<u>-</u>	<u>-</u>
Other Receivables		
Other Trade Receivables - Queensland Independent Education Union	29363	47532
Total Other Receivables	<u>29363</u>	<u>47532</u>
Total Trade and Other Receivables (Net)	<u>29363</u>	<u>47532</u>
Note 4C: Other Current Assets		
Prepayments	240	440
Total Other Current Assets	<u>240</u>	<u>440</u>
NOTE 5 NON-CURRENT ASSETS		
Office Furniture and Equipment		
At Cost	4975	4635
Accumulated Depreciation	2727	2209
Total Plant and Equipment	<u>2248</u>	<u>2426</u>
Reconciliation of the Opening and Closing Balances of Office Furniture and Equipment		
As at 1 January		
Gross Book Value	4635	2708
Accumulated Depreciation and Impairment	2209	1677
Net Book Value 1 January	<u>2426</u>	<u>1031</u>

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
QUEENSLAND AND NORTHERN TERRITORY BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

Reconciliation of the Opening and Closing Balances of Office Furniture and Equipment (Cont'd)

	2013	2012
	\$	\$
Additions:		
By Purchase	340	1927
Depreciation Expense	<u>(518)</u>	<u>(532)</u>
Net Book Value 31 December	<u>2248</u>	<u>2426</u>
Net Book Value as of 31 December represented by:		
Gross Book Value	4975	4635
Accumulated Depreciation and Impairment	<u>2727</u>	<u>2209</u>
Net Book Value 31 December	<u>2248</u>	<u>2426</u>

NOTE 6 CURRENT LIABILITIES

Note 6A: Trade Payables

Trade Creditors and Accruals	<u>6898</u>	<u>26397</u>
	6898	26397
Payables to Other Reporting Units		
Independent Education Union of Australia	<u>32400</u>	<u>-</u>
Total Trade Payables	<u>39298</u>	<u>26397</u>

Settlement is usually made within 30 days

Note 6B: Other Payables

Consideration to Employers for Payroll Deductions	-	-
Legal Costs	-	-
Subscription in Advance	19794	14784
GST Payable	13128	-
Other - Queensland Independent Education Union	<u>8494</u>	<u>18361</u>
Total Other Payables	<u>41416</u>	<u>33145</u>

Total Other Payables are expected to be settled in:

No more than 12 months	41416	33145
More than 12 months	<u>-</u>	<u>-</u>
Total Other Payables	<u>41416</u>	<u>33145</u>

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
QUEENSLAND AND NORTHERN TERRITORY BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013	2012
NOTE 7 EMPLOYEE PROVISIONS		\$	\$
Office Holders	1.7	-	-
Other Employees	1.7	-	-
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
 NOTE 8 CASH FLOW			
Note 8A: Cash Flow Reconciliation			
Reconciliation of Cash and Cash Equivalents as per Balance Sheet to Cash Flow Statement:			
Cash and Cash Equivalents as per:			
Cash Flow Statement		996598	829793
Balance Sheet		996598	829793
Difference		<u>-</u>	<u>-</u>
 Reconciliation of Surplus for Year to Net Cash from Operating Activities:			
Surplus/(Deficit) for the Year		127086	178968
 Adjustments for Non-Cash Items			
Depreciation/Amortisation		518	532
 Changes in Assets/Liabilities			
(Increase)/Decrease in Net Receivables		18169	(9113)
(Increase)/Decrease in Prepayments		200	627
Increase/(Decrease) in Supplier Payables		12901	18014
Increase/(Decrease) in Other Payables		8271	(27323)
Net Cash from (used by) Operating Activities		<u>167145</u>	<u>161705</u>
 Note 8B: Cash Flow Information			
Cash Inflows			
Queensland Independent Education Union		400350	373387
Total Cash Inflows		<u>400350</u>	<u>373387</u>
 Cash Outflows			
Queensland Independent Education Union		255770	206150
Independent Education Union of Australia		305885	275977
Total Cash Outflows		<u>561655</u>	<u>482127</u>

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
QUEENSLAND AND NORTHERN TERRITORY BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

NOTE 9 RELATED PARTY DISCLOSURES

Under the Rules of the Independent Education Union of Australia, QIEU is an Associated Body. Rule 7(e) provides for the payment of an approved amount by an Associated Body to the union or branch of the union designated by the Federal Council or Federal Executive. This is calculated by reference to the total number of members of the Associated Body who have applied for membership of the union in the Branch designated by the Federal Council or Federal Executive.

The Queensland Independent Education Union (QIEU) also provided staff and administrative services to the Independent Education Union - Queensland & Northern Territory Branch during the period. A collaborative relationship exists between QIEU and IEUA and it is noted and endorsed at Branch executive that QIEU provides staffing and other support to members of the Queensland and Northern Territory Division at an appropriate and agreed cost to the IEUA - QNT.

The councillors and the executive of the Queensland Independent Education Union are all members of the Independent Education Union - Queensland and Northern Territory Branch, Branch Executive and Management Committee respectively.

Note 9A: Related Party Transactions for the Reporting Period

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

	2013	2012
	\$	\$
Queensland Independent Education Union		
Revenue		
Affiliation Fees	400350	382500
Expenses		
Salaries - Other Employees	90448	88072
Superannuation - Other Employees	13884	13056
Amounts Owed By		
Other Trade Receivables	29363	47532
Amounts Owed To		
Other Payables	8494	18361
Independent Education Union of Australia expenses		
Capitation Fee	305885	288806
IR Levy	32400	-

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
QUEENSLAND AND NORTHERN TERRITORY BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

Terms and Conditions of Transactions with Related Parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2013, the Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2012: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

	2013	2012
	\$	\$
NOTE 10 REMUNERATION OF AUDITORS		
Value of the Services Provided		
Financial Statement Audit Services	4300	3000
Other Services	-	-
Total Remuneration of Auditors	4300	3000

NOTE 11 FINANCIAL RISK MANAGEMENT

(a) General Objectives, Policies and Processes

The Branch is exposed to risks that arise from its use of financial instruments. This note describes the Branch's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the Branch's exposure to financial instrument risk, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Branch's financial instruments consist mainly of deposits with banks and receivables. The main risks the Branch is exposed to through its financial instruments are interest rate risk (see section (c) below), liquidity risk and credit risk.

The Committee of Management has overall responsibility for the determination of the Branch's risk management objectives and policies.

(b) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Branch incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Branch.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provision for doubtful debts, as disclosed below:-

	2013	2012
	\$	\$
Cash and Cash Equivalents	996598	829793

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
QUEENSLAND AND NORTHERN TERRITORY BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

11 FINANCIAL RISK MANAGEMENT (CONT'D)

The cash and cash equivalents are held in a high quality Australian financial institution.

	2013	2012
	\$	\$
Trade & Other Receivables	<u>29363</u>	<u>47532</u>
Total receivables	<u>29363</u>	<u>47532</u>

There has been no history of default, no amounts are past due and all receivables are likely to be repaid within the expected terms.

(c) Liquidity Risk

Liquidity risk is the risk that the Branch may encounter difficulties raising funds to meet commitments associated with financial instruments. The Branch is not significantly exposed to this risk; as at 31 December 2013 \$996598 of cash and cash equivalents were held to meet these obligations as they fall due. Financial liabilities at 31 December 2013 totalled \$48314. The Branch manages liquidity risk by monitoring cash flows.

(d) Market Risk

Market risk arises from the use of interest bearing, tradable financial instruments. It is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or other market factors (other price risk).

(e) (i) Interest Rate Risk

The Branch's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and liabilities are summarised below:

31 December 2013	Floating Interest Rate	Non Interest Bearing	Total
	\$	\$	\$
Financial Assets			
Cash and cash equivalents	296509	-	296509
Receivables	-	<u>29363</u>	<u>29363</u>
	<u>296509</u>	<u>29363</u>	<u>325872</u>
Weighted average interest rate	.005%		
Financial Liabilities			
Payables	-	<u>80714</u>	<u>80714</u>
Net Financial Assets (Liabilities)	<u>296509</u>	<u>(51351)</u>	<u>245158</u>

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
QUEENSLAND AND NORTHERN TERRITORY BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

11 FINANCIAL RISK MANAGEMENT (CONT'D)

31 December 2012	Floating Interest Rate \$	Non Interest Bearing \$	Total \$
Financial Assets			
Cash and cash equivalents	129793	-	129793
Receivables	-	47532	47532
	<u>129793</u>	<u>47532</u>	<u>177325</u>
Weighted average interest rate	.008%		
Financial Liabilities			
Payables	-	59542	59542
Net Financial Assets (Liabilities)	129793	(12010)	117783
Sensitivity Analysis			
	Carrying Amount	+50% (50 basis points) Profit	-50% (50 basis points) Loss
2013	\$	\$	\$
Cash Assets	<u>296509</u>	<u>741</u>	<u>741</u>
2012			
Cash Assets	<u>129793</u>	<u>519</u>	<u>519</u>

(ii) Other Price Risks

The Branch does not invest in shares or derivatives therefore it does not expose itself to the fluctuations in price that are inherent in such a market.

(iii) Foreign Exchange Risk

The Branch is not directly exposed to foreign exchange rate risk.

12 GOING CONCERN

These financial statements are prepared on a going concern basis. During the financial year the branch has not relied upon the financial support of another reporting unit nor has it provided financial support to another reporting unit.

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
QUEENSLAND AND NORTHERN TERRITORY BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

13 OTHER ACQUISITIONS OF ASSETS OR LIABILITIES

During the financial year the Branch has not acquired an asset or liability as a result of:-

- (a) An amalgamation under Part 2 of Chapter 3 of the RO Act.
- (b) A restructure of branches of the organisation.
- (c) A determination by the General Manager under subsection 245(1) of the RO Act of an alternative reporting structure for the organisation.
- (d) A revocation by the General Manager under subsection 249(1) of the RO Act of a certificate issued to an organisation under subsection 245 (1).
- (e) A business combination.

14 SUBSEQUENT EVENTS

There are no subsequent events that have occurred or are likely to occur that require disclosure.

**15 INFORMATION TO BE PROVIDED TO MEMBERS OR THE GENERAL
MANAGER OF FAIR WORK AUSTRALIA**

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of Section 272 of Fair Work (Registered Organisations) Act 2009 which read as follows:-

- 1) A member of a reporting unit, or the General Manager of Fair Work Australia, 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).

16 CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

There were no contingent liabilities, assets or commitments at 31 December 2013.

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
QUEENSLAND AND NORTHERN TERRITORY BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

17 ADDITIONAL BRANCH INFORMATION

The registered office of the Branch is situated at:

346 Turbot Street
SPRING HILL QLD 4000

The Divisional Office of the Branch is situated at:

38 Wood Street
DARWIN NT 0800

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
QUEENSLAND AND NORTHERN TERRITORY BRANCH**

INDEPENDENT AUDIT REPORT

To the members of the Independent Education Union of Australia Queensland and Northern Territory Branch.

We have audited the general purpose financial report of the Independent Education Union of Australia Queensland and Northern Territory Branch, which comprises the statement of financial position as at 31 December 2013, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes and branch committee of management's statement for the year then ended.

Branch Committee of Management and the Branch Secretary's Responsibility for the Financial Report

The branch committee of management and the branch secretary of the Branch are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009. This responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the branch committee of management and branch secretary, as well as evaluating the overall presentation of the financial report.

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

THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
QUEENSLAND AND NORTHERN TERRITORY BRANCH

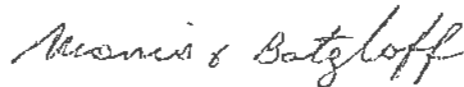
INDEPENDENT AUDIT REPORT

Independence

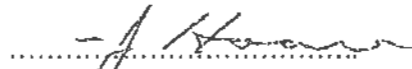
In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies and the Fair Work (Registered Organisations) Act 2009.

Audit Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Independent Education Union of Australia Queensland and Northern Territory Branch as at 31 December 2013, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.



MORRIS & BATZLOFF
Chartered Accountants



Norman Hoare
Partner
Registered Company Auditor
Member of Institute of Chartered Accountants
and Holder of Current Public Practice Certificate


96 Lytton Road
EAST BRISBANE QLD 4169

24 March 2014

Certificate by Prescribed Designated Officer
for the period ended 31 December 2013

I, Terence Burke, being the Branch Secretary of the Independent Education Union of Australia – Queensland and Northern Territory Branch certify:

- that the documents lodged herewith are copies of the full report for the Independent Education Union of Australia – Queensland and Northern Territory Branch for the period ended 31 December 2013 referred to in s.268 of the Fair Work (Registered Organisation) Act 2009; and
- that the full report was provided to members of the reporting unit on 25 April 2014; and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on 18 May 2014 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.



Terence Burke, Branch Secretary

19 May 2014