



FAIR WORK  
AUSTRALIA

15 January 2010

Ms Angela Briant  
Secretary  
Independent Education Union of Australia, Tasmania Branch  
379 Elizabeth Street  
North Hobart TAS 7000  
By email: [tceea@tassie.net.au](mailto:tceea@tassie.net.au)

cc: Ms Alison Fakemore  
Audit Partner  
WHK Denison  
GPO Box 392 Hobart TAS 7001  
By email: [admin@whkdenison.com.au](mailto:admin@whkdenison.com.au)

Dear Ms Briant

**Re: Financial Report of the Independent Education Union of Australia, Tasmania Branch,  
for the year ended 30 June 2009 (FR2009/10044)**

I acknowledge receipt of the financial report of the Tasmania Branch of the Independent Education Union of Australia for the year ended 30 June 2009. The documents were lodged with Fair Work Australia on 24 December 2009.

The financial report has now been filed.

I have also attached an addendum for your consideration in which I make comments 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.

If you wish to discuss any matters further, I can be contacted on 03 86617929 or via email [eve.anderson@airc.gov.au](mailto:eve.anderson@airc.gov.au). A copy of this letter will also be forwarded to your auditor.

Yours sincerely

Eve Anderson  
Tribunal Services and Organisations  
Fair Work Australia  
Tel: 03 86617929

Email: [eve.anderson@fwa.gov.au](mailto:eve.anderson@fwa.gov.au)

## **Addendum to the Financial Reports for the Independent Education Union of Australia, Tasmania Branch, for the year ended 30 June 2009 (FR2009/10044)**

The following comments are made to assist you when you next prepare a financial report.

### **1. Accounts need to include notice which sets out sections 272(1), (2) & (3) of RO Act**

[Subsection 272\(5\)](#) of the *Fair Work (Registered Organisations) Act 2009* (the RO Act) specifically requires the accounts to include a copy of subsections 272(1), (2) & (3) as follows:

- (1) *A member of a reporting unit, or the General Manager, 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).*

In future years please ensure that this information is set out in the notes to the financial statements.

### **2. Committee of Management Statement: required declarations and name of signatory**

Item 25 of the [Reporting Guidelines](#) requires the committee of management statement to include a declaration as to whether, among other matters, the financial records of the Branch have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the union (item 25(e)(iv)). A declaration as to whether information sought in any request of a member of the Branch or the General Manager of FWA duly made under section 272 of the RO Act has been furnished to the member of the General Manager is also required (item 25(e)(v)). In future years please ensure that the committee of management makes declarations as to these matters and that the declarations are included in the committee of management statement. Also please ensure that the name and title of the signatory to the statement are clearly identified on the document. I have included a sample committee of management statement for your convenience.

### **3. Operating Report: results of principal activities**

[Subsection 254\(2\)\(a\) of the RO Act](#) requires an operating report to contain a review of the principal activities of the reporting unit, *the results of those activities* (my emphasis) and any significant changes in the nature of those activities. I note that the Operating Report lodged with FWA reports an operating (financial) result. It is the view of this office that subsection 254(2)(a) requires a descriptive review of the results of the principal activities, not a, operating (financial) result. Please ensure that future operating reports provide a description of the results of the principal activities.

### **4. Operating Report: significant changes in financial affairs**

The Operating Report states that there were no significant changes in the union's state of affairs. However, [subsection 254\(2\)\(b\)](#) of the RO Act requires an operating report to give details of any significant changes in the reporting unit's *financial affairs* (my emphasis) during the year. In future years, please ensure that the Operating Report addresses significant changes in the branch's *financial affairs* instead of in its *state* of affairs.

### **5. Required disclosures: auditing fees**

Paragraph 138.1 of AASB 101 (Presentation of Financial Statements) requires an entity to separately disclose the amounts paid or payable to the auditor of the entity for an audit, and the amounts paid or payable to the auditor for non-audit services. The Income Statement discloses an amount for "accountancy and audit fees." In future years please ensure that audit fees are separately disclosed.

### **6. Cash flows between other branches/offices of the union**

Item 15 of the [Reporting Guidelines](#) requires that where another branch or office of the union is the source of a cash inflow or the application of cash outflow, such cash flow should be disclosed separately and that the name of the other branch or office be shown in the notes. In future years please ensure that cash flows between other branches/offices of the union are disclosed either in the cash flow statement or the notes to the cash flow statement.

## Sample Committee Of Management Statement

On \_\_\_\_/\_\_\_\_/\_\_\_\_ [date of meeting] the Committee of Management of \_\_\_\_\_ [name of reporting unit] passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended \_\_\_\_/\_\_\_\_/\_\_\_\_ [date]:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply\* with the Australian Accounting Standards;
- (b) the financial statements and notes comply\* with the reporting guidelines of the General Manager of Fair Work Australia;
- (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;
- (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 including the rules of a branch concerned; and
  - (ii) the financial affairs of the reporting unit have been\* managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been\* kept and maintained in accordance with the *Fair Work (Registered Organisations) Regulations 2009*; and
  - #(iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been\* kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
  - #(v) the information sought in any request of a member of the reporting unit or the General Manager of Fair Work Australia duly made under section 272 of the *Fair Work (Registered Organisations) Act 2009* has been\* furnished to the member or General Manager; and
  - #(vi) there has been\* compliance with any order for inspection of financial records made by Fair Work Australia under section 273 of the *Fair Work (Registered Organisations) Act 2009*.

[Add the following if any recovery of wages activity has been undertaken during the financial year]

- # (f) in relation to recovery of wages activity:
  - (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the General Manager of Fair Work Australia; and
  - (ii) the committee of management caused the auditor to include in the scope of the audit required under subsection 257(1) of the *Fair Work (Registered Organisations) Act 2009* all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and
  - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
  - (iv) that prior to engaging in any recovery of wages activity, the organization has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and

- (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

*[or if there has been no recovery of wages activity, state accordingly]*

Name: \_\_\_\_\_ *[name of designated officer per section 243 of the Fair Work*

*(Registered Organisations) Act 2009]*

For the Committee of Management of \_\_\_\_\_ *[name of reporting unit]*

Title of Office held: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

*\* Where compliance or full compliance has not been attained - set out details of non compliance instead.*

*# Where not relevant these may be modified accordingly (e.g. in (vi) "No orders have been made by Fair Work Australia under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period."*



Kevin Donnellan  
Tribunal Services and Organisations  
Fair Work Australia

Dear Kevin,

23<sup>rd</sup> December 2009

**Designated Officer's Certificate**

S268 *Fair Work (Registered Organisations) Act 2009*

I Angela Briant being the Secretary/Treasurer of the Independent Education Union of Australia, Tasmania Branch certify:

- That the documents lodged herein are copies of the full report, referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- That the full report was provided to members on 13th November 2009; and
- That the full report was presented to a general meeting of the reporting unit on 14<sup>th</sup> December 2009; in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Yours Sincerely

Angela Briant  
Secretary  
IEU Tas.

# **Independent Education Union of Australia - Tasmania**

**Financial Statements**

**For the Year Ended 30 June 2009**

# Independent Education Union of Australia - Tasmania

For the Year Ended 30 June 2009

## CONTENTS

	<u>Page</u>
<b>Financial Statements</b>	
Operating Report	1
Committee of Management Statement	3
Income Statement	4
Balance Sheet	5
Statement of Changes in Equity	6
Cash Flow Statement	7
Notes to the Financial Statements	8
Auditors Independence Declaration	17
Independent Audit Report	18

# Independent Education Union of Australia - Tasmania

## Operating Report

For the year ending 30 June 2009

Your Committee of Management present their report on the Union for the financial year ended 30 June 2009.

### 1. General information

#### Committee of Management

The names of the Committee of Management in office at any time during, or since the end of, the year are:

<b>Names</b>	<b>Position</b>	<b>Appointed/Resigned</b>
John Waldock	President	Re-elected
Mary Owen	Vice President	Retired 2008
Jeremy Oliver	Vice President	Re-elected 2008
Angela Briant	Secretary/Treasurer	Re-elected 2008
Louise Wright	Committee Member	Re-elected 2008
Kate Lakos	Committee Member	Re-elected 2008
Adrian Zolati	Committee Member	Retired 2008
John Hood	Committee Member	Re-elected 2008
Ross Wise	Committee Member	Re-elected 2008
Catherine Sullivan	Committee Member	Elected 2008
Ty Capach	Committee Member	Elected 2008
Adam Croser	Committee Member	Elected 2008

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

Ms Angela Briant, a member of the Committee and Secretary/Treasurer, is a Director of Tasplan Ltd which acts as a trustee for Tasplan Super representing the Interest of Unions Tasmania with whom this Union is affiliated.

Under the rules of the Union in accordance with SS230(1)(a) and (2) of the Fair Work (Registered Organisations) Act 2009 a register of members has, during the financial year ended 30 June 2009, been kept and maintained. Membership of the Union including full financial members and those on leave of absence from their work site amounted to 956 at 30 June 2009.

Under the Rules of the Union an election was held during the financial year ended 30 June 2009.

Under the Rules of the Union, number 21, any member has the right to resign by the giving of written notice.

The Union maintains employment for 3.5 employees on a full time equivalent basis as at 30 June 2009. There are 5 employees.

#### Principal Activities

The principal activities of Independent Education Union of Australia - Tasmania during the financial year were to protect and advance the professional and industrial interests of staff in the Tasmanian Catholic Schools.



# Independent Education Union of Australia - Tasmania

## Operating Report

For the year ending 30 June 2009

### 1. General information continued

#### Principal Activities continued

No significant change in the nature of these activities occurred during the year.

### 2. Business review

#### Operating Results

The surplus from ordinary activities after providing for income tax amounted to \$(37,316) (2008: \$(17,028)).

### 3. Other items

#### Significant Changes in State of Affairs

No significant changes in the Union's state of affairs occurred during the financial year.

#### After balance day events

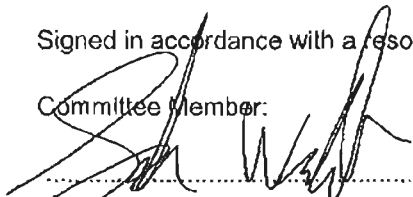
No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Union, the results of those operations or the state of affairs of the Union in future financial years.

#### Auditors Independence Declaration

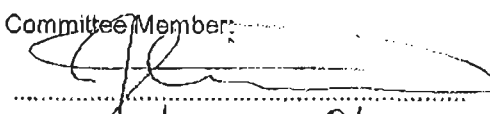
The auditor's independence declaration for the year ended 30 June 2009 has been received and can be found on page 17 of the financial report.

Signed in accordance with a resolution of the Committee of Management:

Committee Member:

  
.....  
John Waldock

Committee Member:

  
.....  
Jeremy Oliver

Dated this 9<sup>th</sup> day of November 2009

# Independent Education Union of Australia - Tasmania

## Income Statement

For the Year Ended 30 June 2009

	2009	2008
	\$	\$
<b>Income</b>		
Commissions	-	90
Interest income	5,704	8,518
Other income	6,377	5,342
Subscriptions	424,084	403,132
<b>Total income</b>	436,165	417,082
<b>Less: Expenses</b>		
Accountancy & audit fees	4,075	3,885
Annual leave expense	6,267	(7,045)
Bank charges	3,831	3,032
Booklets, brochures & magazines	3,377	2,443
Campaigns	4,962	2,144
COM conferences & meetings	4,815	6,173
COM fees & allowances	-	240
Delegate training	3,983	6,153
Depreciation	5,861	7,865
Donations	370	240
Electricity	1,182	1,200
Fringe benefits tax	1,909	1,910
Insurance	17,833	15,086
IT, internet & email	11,666	6,675
Legal fees	994	2,313
Long Service Leave Expense	(1,705)	7,521
Minor fellowship	-	300
Motor vehicle expenses	2,740	2,338
Movie tickets	2,207	802
Office rental	7,983	7,965
Office rental - Devonport	3,731	3,636
Payroll expenses	3,234	-
Postage	6,029	4,885
Printing and stationery	15,255	13,222
Registration & affiliation fee	14,130	16,131
Staff conferences, meetings & training	37,609	26,818
Sundry expenses	5,077	3,190
Superannuation	36,441	73,194
Telephone and fax	12,324	13,664
Wages - contracting	-	8,520
Wages - officers	216,201	160,141
Wages - other	39,493	37,984
Workers compensation insurance	1,606	1,487
<b>Total Expenses</b>	(473,480)	(434,112)
<b>Surplus (Deficit)</b>	(37,315)	(17,030)

# Independent Education Union of Australia - Tasmania

## Committee of Management Statement

For the Year Ended 30 June 2009

On 9/11 2009 the Committee of Management of Independent Education Union of Australia - Tasmania passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2009:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Fair Work (Registered Organisations) Act 2009;
- (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;
- (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 including the rules of a branch concerned; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Regulations 2009; and
  - (iv) there has been compliance with any order for inspection of financial records made by the General Manager of FWA under section 273 of the Fair Work (Registered Organisations) Act 2009; and
  - (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

For Committee of Management: John Waldock

Title of Office held:

Signature:

Dated this 9/11 day of March 2009.

# Independent Education Union of Australia - Tasmania

## Statement of Changes In Equity

For the Year Ended 30 June 2009

	\$	s
Balance at 1 July 2008	102,819	119,849
Surplus/(Deficit)	(37,315)	(17,030)
Transfers to and from reserves	-	-
<b>Sub-total</b>	<u>(37,315)</u>	<u>(17,028)</u>
<b>Balance at 30 June 2009</b>	<u>65,504</u>	<u>102,819</u>

The accompanying notes form part of these financial statements.

# Independent Education Union of Australia - Tasmania

## Balance Sheet

30 June 2009

	Note	2009 \$	2008 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	2	107,712	148,215
Inventories		760	2,145
<b>Total current assets</b>		<u>108,472</u>	<u>150,360</u>
<b>Non-current assets</b>			
Property, plant and equipment	3	20,934	21,789
<b>Total non-current assets</b>		<u>20,934</u>	<u>21,789</u>
<b>TOTAL ASSETS</b>		<u>129,406</u>	<u>172,149</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	4	4,000	4,000
Current tax liabilities		6,709	7,224
Short-term provisions	5	17,376	11,109
Other Liabilities	6	5,119	14,594
<b>Total current liabilities</b>		<u>33,204</u>	<u>36,927</u>
<b>Non-current liabilities</b>			
Other long-term provisions	4	30,698	32,403
<b>Total non-current liabilities</b>		<u>30,698</u>	<u>32,403</u>
<b>TOTAL LIABILITIES</b>		<u>63,902</u>	<u>69,330</u>
<b>NET ASSETS</b>		<u>65,504</u>	<u>102,819</u>
<b>EQUITY</b>			
Retained earnings		65,504	102,819
<b>TOTAL EQUITY</b>		<u>65,504</u>	<u>102,819</u>

The accompanying notes form part of these financial statements.

# Independent Education Union of Australia - Tasmania

## Cash Flow Statement

For the Year Ended 30 June 2009

	2009	2008
Note	\$	\$
<b>Cash from operating activities:</b>		
Subscriptions	424,084	402,598
Interest Received	5,704	8,518
Other Receipts	6,377	4,270
Payments to Suppliers & Employees	<u>(471,663)</u>	<u>(423,308)</u>
<b>Net cash provided by (used in) operating activities</b>	7(b) <u>(35,498)</u>	<u>(7,922)</u>
<b>Cash flows from Investing activities:</b>		
Acquisition of Property, Plant & Equipment	<u>(5,005)</u>	<u>(4,146)</u>
<b>Net cash provided by (used in) investing activities</b>	<u>(5,005)</u>	<u>(4,146)</u>
<b>Net increase (decreases) in cash held</b>	(40,503)	(12,068)
Cash at beginning of financial year	<u>148,215</u>	<u>160,283</u>
<b>Cash at end of financial year</b>	7(a) <u><u>107,712</u></u>	<u><u>148,215</u></u>

The accompanying notes form part of these financial statements.

# Independent Education Union of Australia - Tasmania

## Notes to the Financial Statements

For the Year Ended 30 June 2009

### 1 Summary of Significant Accounting Policies

#### (a) General information

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

#### (b) Basis of preparation

The financial report has been prepared on an accruals basis and is based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

#### (c) Comparatives

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

#### (d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

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

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

##### Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

# Independent Education Union of Australia - Tasmania

## Notes to the Financial Statements

For the Year Ended 30 June 2009

### 1 Summary of Significant Accounting Policies continued

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

#### **Plant and equipment**

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

#### **Depreciation**

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Union commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

#### **(f) Impairment of assets**

The Union monitors the recoverability of assets, based on factors such as current market value, future asset utilisation, business climate and future undiscounted cash flows expected to result from the use of the related assets. The Union's policy is to record an impairment loss in the period when it is determined that the carrying amount of the asset may not be recoverable. To 30 June 2009, no impairment losses have been recorded.

#### **(g) Employee benefits**

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits.

Contribution made by the Union to an employee superannuation fund are charged as expenses when incurred.

#### **(h) Provisions**

Provisions are recognised when the Union has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

#### **(i) Income taxes**

No income provision for income tax has been raised as the Union is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.



# Independent Education Union of Australia - Tasmania

## Notes to the Financial Statements

For the Year Ended 30 June 2009

### 1 Summary of Significant Accounting Policies continued

#### (j) Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Subscription Income is recognised over the period to which the subscriptions relate.

Interest revenue is recognised over the period for which the funds are invested.

Revenue from the provision of services is recognised upon delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

#### (k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

#### (l) Notes to be provided to members or registrar

(i) A member of a reporting unit, or a Registrar, 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.

(ii) 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.

(iii) A reporting unit must comply with an application made under s 272(1) (2) and (3) of the Fair Work (Registered Organisations) Act 2009.

#### (m) Financial Instruments

##### Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instruments. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through the income statement. Transaction costs related to instruments classified as at fair value through the income statement are expensed to the income statement immediately. Financial instruments are classified and measured as set out below.

# Independent Education Union of Australia - Tasmania

## Notes to the Financial Statements

For the Year Ended 30 June 2009

### 1 Summary of Significant Accounting Policies continued

#### (m) Financial Instruments continued

##### Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in the income statement.

##### Classification and Subsequent Measurement

##### (i) Financial assets at fair value through the income statement

Financial assets are classified at fair value through the income statement when they are held for trading for the purpose of short-term surplus taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in the income statement in the period in which they arise.

##### (ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

##### (iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the group's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

##### (iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

##### (v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

# Independent Education Union of Australia - Tasmania

## Notes to the Financial Statements

For the Year Ended 30 June 2009

### 1 Summary of Significant Accounting Policies continued

#### (m) Financial Instruments continued

##### Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

##### Impairment

At each reporting date, the Union assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

#### (n) Critical accounting estimates and judgments

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

### 2 Cash and cash equivalents

	2009	2008
	\$	\$
Cash at bank	13,472	29,988
Short-term bank deposits	93,687	118,227
Other cash and cash equivalents	553	-
	<u>107,712</u>	<u>148,215</u>

### 3 Property, plant and equipment

	2009	2008
	\$	\$
<b>PLANT AND EQUIPMENT</b>		
Motor vehicles		
At cost	39,397	39,397
Less accumulated depreciation	(29,084)	(26,090)
Total motor vehicles	<u>10,313</u>	<u>13,307</u>
Office equipment		
At cost	66,354	61,349
Less accumulated impairment losses	(55,734)	(52,867)
Total office equipment	<u>10,620</u>	<u>8,482</u>
<b>Total plant and equipment</b>	<u>20,933</u>	<u>21,789</u>
<b>Total property, plant and equipment</b>	<u>20,933</u>	<u>21,789</u>

# Independent Education Union of Australia - Tasmania

## Notes to the Financial Statements

For the Year Ended 30 June 2009

### 3 Property, plant and equipment

#### (a) Movements in Carrying Amounts

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

	Motor Vehicles \$	Office Equipment \$	Total \$
<b>Current Year</b>			
Balance at the beginning of year	13,307	8,482	21,789
Additions	-	5,005	5,005
Depreciation expense	(2,994)	(2,867)	(5,861)
Carrying amount at the end of year	<u>10,313</u>	<u>10,620</u>	<u>20,933</u>
<b>Prior Year</b>			
Balance at the beginning of year	17,164	8,344	25,508
Additions	-	4,146	4,146
Depreciation expense	(3,857)	(4,008)	(7,865)
Carrying amount at the end of year	<u>13,307</u>	<u>8,482</u>	<u>21,789</u>

### 4 Trade and other payables

	2009 \$	2008 \$
<b>CURRENT</b>		
Sundry payables and accrued expenses	4,000	4,000
	<u>4,000</u>	<u>4,000</u>

### 5 Provisions

#### Analysis of Total Provisions

	2009 \$	2008 \$
Current - annual leave	17,376	11,109
Non-current - long service leave	30,698	32,403
	<u>48,074</u>	<u>43,512</u>

### 6 Other Liabilities

	2009 \$	2008 \$
<b>CURRENT</b>		
Payroll Liabilities	4,038	3,932
Subscriptions in advance	1,081	10,662
<b>Total</b>	<u>5,119</u>	<u>14,594</u>

# Independent Education Union of Australia - Tasmania

## Notes to the Financial Statements

For the Year Ended 30 June 2009

### 7 Cash Flow Information

#### (a) Reconciliation of cash

	2009	2008
	\$	\$
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
Cash and cash equivalents	107,712	148,215
	<u>107,712</u>	<u>148,215</u>

#### (b) Reconciliation of Cash Flow from Operations with Surplus/(Deficit)

	2009	2008
	\$	\$
Surplus/(Deficit) for the period	(37,315)	(17,028)
Cash flows excluded from surplus attributable to operating activities		
Non-cash flows in surplus		
Depreciation	5,861	7,865
Changes in assets and liabilities		
(Increase)/decrease in inventories	1,385	(1,162)
Increase/(decrease) in payables and accruals	(410)	2,458
Increase/(decrease) in subscriptions in advance	(9,581)	(534)
Increase/(decrease) in provisions	4,562	478
	<u>(35,498)</u>	<u>(7,922)</u>

### 8 Financial instruments

#### (a) Financial Risk Management Policies

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

The main purpose for non-derivative financial instruments is to raise finance for The Union operations.

The Union does not have any derivative financial instruments at 30 June 2009.

#### (i) Treasury Risk Management

The Committee of Management meet on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

#### (ii) Financial Risk Exposures and Management

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

# Independent Education Union of Australia - Tasmania

## Notes to the Financial Statements

For the Year Ended 30 June 2009

### 8 Financial instruments continued

#### (ii) Sensitivity Analysis

Interest rate risk, foreign currency risk, liquidity risk, credit risk and price risk

The Union has performed an assessment of its exposure to interest rate risk, liquidity risk and credit risk at the balance date. The Union is not currently subject to any interest rate risk on its financial liabilities, and has assessed that there is also no exposure to liquidity risk required to meet its financial obligations. The Union's exposure to credit risk has been assessed as not material, due to the nature, collectability and recoverability of amounts owed.

As a result of the risk assessment performed by The Union, any positive or negative changes in the interest rate risk, liquidity risk or credit risk would not have a material effect on the financial statements of the Union. Hence quantitative disclosures are not required.

### 11 Interests of Key Management Personnel

The totals of remuneration paid to key management personnel of the company during the year are as follows:

	2009	2008
	\$	\$
Short-term employee benefits	204,875	160,141
Other long-term benefits	11,326	-
	<u>216,201</u>	<u>160,141</u>

#### Other Key Management Personnel Transactions

There have been no other transactions involving key management personnel other than those described in the tables above.

There were no loans outstanding at or during the years ended 30 June 2009 to officers or their related parties.

### 10 Contingent Liabilities and Contingent Assets

There are no contingent assets or contingent liabilities as at 30 June 2009.

#### Subsequent Events

There are no known subsequent events at the date of the audit report.

### 11 Union Details

#### Registered office

The registered office of the Union is:

Independent Education Union of Australia - Tasmania  
379 Elizabeth Street  
NORTH HOBART TAS 7002

# Independent Education Union of Australia - Tasmania

## Notes to the Financial Statements

For the Year Ended 30 June 2009

### 8 Financial instruments continued

#### (a) Financial Risk Management Policies continued

##### Interest rate risk

The Union does not have any material Interest rate risk. Any risk arising is managed with a mixture of fixed and floating rate investments.

##### Foreign Currency Risk

The Union is not exposed to fluctuations in foreign currencies.

##### Liquidity Risk

The Union manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

##### Credit risk

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, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The Union does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Union.

##### Price risk

The Union is not exposed to any material commodity price risk.

#### (b) Financial Instruments

##### (i) Financial instrument composition and maturity analysis

The Union's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates on classes of financial assets and financial liabilities, is as follows:

	Floating Interest Rate		Non-interest Bearing		Total	
	2009	2008	2009	2008	2009	2008
	\$	\$	\$	\$	\$	\$
<b>Financial Assets:</b>						
Cash and cash equivalents	107,712	148,215	-	-	107,712	148,215
<b>Total Financial Assets</b>	<b>107,712</b>	<b>148,215</b>	<b>-</b>	<b>-</b>	<b>107,712</b>	<b>148,215</b>
<b>Financial Liabilities:</b>						
Trade and sundry payables	-	-	(63,902)	(69,330)	(63,902)	(69,330)
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>(63,902)</b>	<b>(69,330)</b>	<b>(63,902)</b>	<b>(69,330)</b>

## Independent Education Union of Australia - Tasmania

### Auditors Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2009 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Australian Professional Ethical Standards in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

WHK



Alison Fakemore  
Audit Partner

Dated this *2nd* day of *November* 2009.



## **Independent Education Union of Australia - Tasmania**

**Independent Audit Report to the members of Independent Education Union of Australia - Tasmania**

### **Report on the Financial Report**

We have audited the accompanying financial report of Independent Education Union of Australia - Tasmania, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended that date a summary of significant accounting policies, other explanatory notes and the committee of management statement.

### **Directors' Responsibility for the Financial Report**

The directors of the Union are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009. This responsibility includes: designing, implementing 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 Union'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 accounting policies used and the reasonableness of accounting estimates made by the directors, 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.

## **Independent Education Union of Australia - Tasmania**

**Independent Audit Report to the members of Independent Education Union of Australia - Tasmania**

### **Independence**

In conducting our review, we have complied with the independence requirements of Australian professional ethical pronouncements.

### **Auditor's Opinion**

In our opinion the financial report of Independent Education Union of Australia – Tasmania presents fairly, in all material respects, in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of the Chapter 8 of the Fair Work (Registered Organisations) Act 2009, the financial position of Independent Education Union of Australia – Tasmania as at 30 June 2009, and of its performance for the year ended on that date.

WHK



Alison Fakemore  
Audit Partner

#### **Auditor Qualifications:**

Bachelor of Commerce with Honours  
Registered Company Auditor No. 241220  
Institute of Chartered Accountants Australia Member No. 96387  
Public Practice Certificate

Dated this *12<sup>th</sup>* day of *November* 2009.

*Accountants & Auditors*

**WHK Denison Audit Partnership**

Level 1, 142-146 Elizabeth Street Hobart Tasmania 7000

GPO Box 392 Hobart Tasmania 7001

Telephone 03 6210 2525 Facsimile 03 6210 2524

Email [admin@whkdenison.com.au](mailto:admin@whkdenison.com.au) Web [www.whkdenison.com.au](http://www.whkdenison.com.au)

WHK Denison Audit Partnership ABN 23 701 982 945