



12 August 2014

Ms Theresa Howe
Secretary
Independent Education Union of Australia, Western Australia Branch
Suite 20, 63 Knutsford Avenue
RIVERVALE WA 6103

Dear Ms Howe

Independent Education Union of Australia Western Australia Branch Financial Report for the year ended 31 December 2013 - [FR2013/473]

I acknowledge receipt of the financial report of the Independent Education Union of Australia Western Australia Branch. The documents were lodged with the Fair Work Commission (FWC) on 12 July 2014. I also acknowledge the supplementary information I received on 01 August 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 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. The FWC will confirm these concerns have been addressed prior to filing next year's report.

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.

Related Parties

The report does not disclose any related party transactions. Related party transactions are required to be disclosed under Australian Accounting Standard *AASB124 Related Party Disclosures* paragraph 18.

While it is possible that the Branch did not, during the 2013 financial year, transact with related parties, this is rare for a Branch. In future reports you may wish to include a specific entry within the notes stating this to prevent further inquiries.

Changes to the reporting guidelines and model financial statement

A fourth edition of the General Manager's s.253 Reporting Guidelines was gazetted on 13 June 2014. These guidelines will apply to all financial reports that end on or after 30 June 2014. A model set of financial statements for the 2013-2014 financial year is also available on the FWC website. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards.

The Reporting Guidelines and Model Financial Statements are available on the website here:
<https://www.fwc.gov.au/registered-organisations/compliance-governance/financial-reporting>

If you have any queries regarding this letter, please contact me on (03) 8661 7886 or via email at joanne.fenwick@fwc.gov.au.

Yours sincerely



Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch

**INDEPENDENT EDUCATION UNION OF AUSTRALIA
WA BRANCH**

ABN 59 914 290 495

**GENERAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013**



Anderson Munro & Wyllie

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INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

ABN 59 914 290 495

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INDEPENDENT EDUCATION UNION OF AUSTRALIA, WA BRANCH

ABN 59 914 290 495

OPERATING REPORT

In accordance with section 254 of the *Fair Work (Registered Organisations) Act 2009* ("Act") the Branch Committee of Management ("the Committee") present their operating report on the Independent Education Union of Australia WA Branch ("the Union") for the financial year 31 December 2013.

Members of the Committee of Management

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

- | | | |
|-----|--------------------------|--------------------------------------|
| 1. | K. Maguire, President | (1 January 2013 – 30 November 2013) |
| 2. | A. Walker, President | (1 December 2013 – 30 November 2016) |
| 3. | M. Swain, Vice President | (1 January 2013 - 30 November 2016) |
| 4. | T. Howe, Secretary | (1 January 2013 - 30 November 2016) |
| 5. | C. Williams | (1 January 2013 - 30 November 2016) |
| 6. | L. Reeves | (1 January 2013 - 30 November 2016) |
| 7. | N. Fraser | (1 January 2013 - 30 November 2016) |
| 8. | B. Frost | (1 January 2013 - 30 November 2016) |
| 9. | R. Thomas | (1 January 2013 - 30 November 2016) |
| 10. | D. Murray | (1 January 2013 - 30 November 2016) |
| 11. | N. Briggs | (1 January 2013 - 30 November 2016) |
| 12. | V. Bingham | (1 January 2013 - 30 November 2016) |

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

Principal Activity

1. Support and advice to members regarding political, industrial, legal and professional agendas. Ensuring ongoing advice to them on the Federal Government's Work Choices legislation.
2. Representation of the industrial and professional interests of the members in a broad range of areas. This includes the Unions WA and its committees; participation in forums on educational and professional issues of relevance to IEU members; representation to Government Ministers and Shadow Ministers on government policies relevant to the professional and industrial interests of our members; representation of the Union's interests in the Fair Work Commission in relation to rules matters and the defence of members' industrial rights in industrial disputes and bargaining.
3. Submissions to Federal Office for national inquiries on school funding, educational, industrial and human rights issues relevant to the membership and the broader community.
4. Research in relevant areas of public policy such as the funding of schooling, industrial, legal and constitutional matters, educational issues, and human rights concerns to inform our own policy development. Oversight of the comparative salaries and conditions of various categories of staff in non-government schools across the jurisdictions. Monitoring of Fair Work Commission decisions and decisions from other jurisdictions.
5. Protection and carriage of the Union's Rules.
6. Negotiation and prosecution of claims for improved salaries and conditions for workers in ELICOS sector and for staff in a range of Independent Schools.

Results of those activities

1. Continued growth of the Branch's membership.
2. A proactive membership industrially and professionally.
3. Continued public profile of the Branch on behalf of teachers and support staff in non-government education.
4. Improvement's in the industrial and professional conditions of the membership.

INDEPENDENT EDUCATION UNION OF AUSTRALIA, WA BRANCH

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Operating Results

The Union's profit for the year amounted to \$18,824 (2012: Loss \$ 9,439).

Review of Operations

A review of the operations of the Branch during the financial year found that there were no significant changes in nature to these principal activities during the financial year.

Significant Changes in the State of Affairs

No matters or circumstances arose during the reporting year which significantly affected the financial affairs of the Branch.

After Balance Date Events

There are no significant events after balance date to be reported.

Member's Right to Resign

Members may resign from the Union by giving written notice to the Union in accordance with rule 21 of the rules of the Union, which states:

21 – RESIGNATION FROM MEMBERSHIP

- a. A member of the Union may resign from membership by written notice addressed and delivered to the relevant Branch Secretary
- b. A notice of resignation from membership takes effect:
 - i. Where the member ceases to be eligible to become a member of the Union.
 - a. On the day on which the notice is received by the Union; or
 - b. On the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a memberwhichever is later; or
 - ii. In any other case:
 - a. At the end of two weeks after the notice is received by the organisation; or
 - b. On the day specified in the notice;whichever is later.
- c. Any dues payable and not paid by a former member in relation to a period before the member's resignation from the organisation took effect, may be sued for and recovered in the name of the Union, in a court of competent jurisdiction, as a debt due to the Union.
- d. A notice delivered to the person mentioned in subclause (a) shall be taken to have been received by the Union when it was delivered.
- e. A notice of resignation that has been received by the Union is not invalid because it was not addressed and delivered in accordance with Subclause (a).
- f. A resignation from membership of the Union is valid even if it is not effected in accordance with this section if the member is informed in writing by or on behalf of the Union that the resignation has been accepted.

INDEPENDENT EDUCATION UNION OF AUSTRALIA, WA BRANCH

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OPERATING REPORT

Officers & employees who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee

Theresa Howe, Secretary:

- (i) a director of Concept One Superannuation Fund, a superannuation entity and does not hold the position because a criterion for being the trustee or director is that the officer or employee is an officer or employee of the Union.

No other employee of the Union is:

- (i) a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (ii) a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

Membership of the Union

Number of members as at 31 December 2013: 4,575 (2012: 4,480).

Employees of the Union

At the end of the financial year the Union employed NIL Staff.

Officers & employees who are directors of a company of a member of a board

Name of Officer	Name of Company/Board	Principal Activity	Position Due to Nomination
NONE			

Indemnification of Officer or Auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Union.

Proceedings on Behalf of the Union

No person has applied for leave of Court to bring proceedings on behalf of the Union or intervene in any proceedings to which the Union is a party for the purpose of taking responsibility on behalf of the Union for all or any part of those proceedings. The Union was not a party to any such proceedings during the year.

Wages Recovery Activity

The Union has not undertaken any recovery of wages activity for the financial year ended 31 December 2013.

Other Information

There is no other information that the Union considers relevant.

INDEPENDENT EDUCATION UNION OF AUSTRALIA, WA BRANCH

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OPERATING REPORT

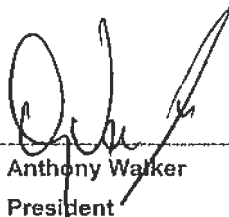
Auditor's Independent Declaration

A copy of the auditor's independence declaration is set out on page 6.

Signed in accordance with a resolution of the Committee of Members passed on the 14th day of May 2014



Theresa Howe
Secretary



Anthony Walker
President

14 May 2014

INDEPENDENT EDUCATION UNION OF AUSTRALIA, WA BRANCH

ABN 59 914 290 495

COMMITTEE OF MANAGEMENT STATEMENT

On the 14th day of May 2014 the Committee of Management of Independent Education Union of Australia WA Branch ("Union") passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2013:

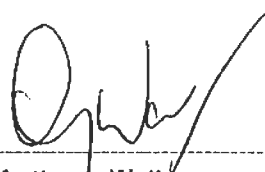
The Branch Committee of Management of the Independent Education Union of Australia WA Branch ("the Union") declares that in its opinion:

1. the financial statements and notes comply with the Australian Accounting Standards and other mandatory professional reporting requirements;
2. the financial statements and notes comply with the reporting guidelines of the General Manager of Fair Work Australia ("General Manager");
3. the financial statements and notes give a true and fair view of the Union's financial performance, financial position and cash flows, and the changes in equity for the year then ended;
4. there are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable; and
5. during the financial year to which the GPFR relates and since the end of that year:
 - a. meetings of the Committee of Management were held in accordance with the rules of the Union;
 - b. the financial affairs of the Union have been managed in accordance with the rules of the Union;
 - c. the financial records of the Union have been kept and maintained in accordance with the *Fair Work (Registered Organisations) Act 2009 ("Act")* and *Fair Work (Registered Organisations) Regulations 2009 ("Regulations")*;
 - d. the Union is a sole reporting unit, therefore the financial records of the Union have been kept in a consistent manner specifically relating to the Union;
 - e. no information was sought by any member of the Union or the General Manager of Fair Work Australia duly made under section 272 of the Act; and
 - f. no orders have been made by the Commissioner under section 273 of the Act during the year.
6. further the Branch Committee of Management of the Union declares that the Union has not undertaken any recovery of wages activity during the financial year.

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

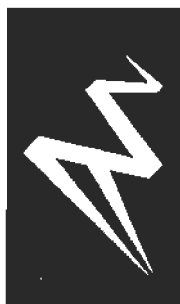


Theresa Howe
Secretary



Anthony Walker
President

14th May 2014



Anderson Munro & Wyllie

CHARTERED ACCOUNTANTS

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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE MEMBERS OF
INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH**

As auditor for the audit of Independent Education Union of Australia WA Branch for the year ended 31 December 2013, I declare that, to the best of my knowledge and belief, during the year ended 31 December 2013 there has been:

- i. No contraventions of any applicable code of professional conduct in relation to the audit.

Anderson Munro & Wyllie

ANDERSON MUNRO & WYLLIE

Chartered Accountants

Chris McLaughlin

Director

Dated at Perth, Western Australia this 16th day of May 2014

INDEPENDENT EDUCATION UNION OF AUSTRALIA, WA BRANCH

ABN 59 914 290 495

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 \$	2012 \$
Revenue			
Membership Subscription	3A,10	-	-
Capitation Fees	3B	-	-
Levies	3C	-	-
Grants and/or donations	3D	-	-
Transfers from the Independent Education Union of Western Australia, Union of Employees	3E	100,000	90,000
Total income		100,000	90,000
Expenses			
Employee Expenses	4A	-	-
Capitation Fees	4B	55,218	61,091
ACTU Affiliation Fees	4C	17,009	24,500
Administration expenses	4D	1,704	2,017
Grants or donations	4E	-	-
Legal costs	4F	-	-
Other expenses	4G	7,245	11,831
		81,176	99,439
Net Profit Attributable to Members of the Union		18,824	(9,439)
Other comprehensive income		-	-
Total comprehensive income for the year attributable to members of the Union		18,824	(9,439)

The accompanying notes form part of these financial statements.

INDEPENDENT EDUCATION UNION OF AUSTRALIA, WA BRANCH

ABN 59 914 290 495

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2013

	Note	2013	2012
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	5A	12,422	1,373
Trade and Other Receivables	5B	3,623	2,928
TOTAL CURRENT ASSETS		16,045	4,301
TOTAL ASSETS		16,045	4,301
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	6A	-	7,080
Employee Provisions	7A	-	-
TOTAL CURRENT LIABILITIES		-	7,080
NON- CURRENT LIABILITIES			
Employee Provisions	7A	-	-
TOTAL NON CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		-	7,080
NET ASSETS		16,045	(2,779)
EQUITY			
Retained Earnings		16,045	(2,779)
TOTAL EQUITY		16,045	(2,779)

INDEPENDENT EDUCATION UNION OF AUSTRALIA, WA BRANCH

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The accompanying notes form part of these financial statements.

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

	Note	Retained Earnings	Total
		\$	\$
Balance at 31 December 2011		<u>6,660</u>	<u>6,660</u>
Loss For The Year		(9,439)	(9,439)
Balance at 31 December 2012		<u>(2,779)</u>	<u>(2,779)</u>
Profit For The Year		18,824	18,824
Balance at 31 December 2013		<u><u>16,045</u></u>	<u><u>16,045</u></u>

The accompanying notes form part of these financial statements.

INDEPENDENT EDUCATION UNION OF AUSTRALIA, WA BRANCH

ABN 59 914 290 495

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013	2012
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Transfer from the Independent Education Union of Western Australia, Union of Employees		100,000	90,000
Receipt from Members		-	-
Payment to Suppliers and Employees	12B	(88,951)	(93,275)
Cash Generated from Operating Activities	12A	<u>11,049</u>	<u>(3,275)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash Used in Investing Activities		<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash Used in Financing Activities		<u>-</u>	<u>-</u>
Increase/(Decrease) in Cash and Cash Equivalents During the Year		11,049	(3,275)
Cash and Cash Equivalents at the Beginning of the Year		1,373	4,648
Cash and Cash Equivalents at the End of the Year	5A	<u>12,422</u>	<u>1,373</u>

RECOVERY OF WAGES ACTIVITY
FOR THE YEAR ENDED 31 DECEMBER 2013

No recovery of wages activities occurred in the reporting period.

The accompanying notes form part of these financial statements

INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

ABN 59 914 290 495

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

Note 1: Union Information

The financial report of Independent Education Union of Australia WA Branch ("Union") for the year ended 31 December 2013 was authorised for issue in accordance with a resolution of the Committee of Management.

The financial statements cover the Union as an individual entity. The Union is registered and domiciled in Western Australia.

The Union is a trade union which represents the industrial interests of the career private sector teachers and other education staff employed within the state of Western Australia.

Number of members at 31 December 2013: 4,575 (2012: 4,480).

The financial statements were authorised for issue on the 14th May 2014 by the members of the committee.

Note 2: Summary of Significant Accounting Policies

Basis of Preparation

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 Union is a not-for-profit entity.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

(a) Revenue

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

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Income from transferred from the Independent Education Union of Western Australia, Union of Employees is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised on an accrual basis using the effective interest method.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

(b) Gains

Sale of Assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

Note 2: Summary of Significant Accounting Policies (Continued)

(c) **Capitation Fees and Levies**

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

(d) **Borrowing Costs**

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

(e) **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 and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the consolidated statement of financial position.

(f) **Financial Instruments**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(g) **Financial Liabilities**

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

(i) ***Fair value through profit or loss***

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

Note 2: Summary of Significant Accounting Policies (Continued)

(g) Financial Liabilities (Continued)

- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

(ii) *Other financial liabilities*

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

(iii) *Derecognition of financial liabilities*

The Union derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(h) 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.

(i) Inventories on Hand

Inventories are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost or for nominal consideration are measured at the current replacement cost as at the date of acquisition.

(j) 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 Union was deprived of the asset, its value in use is taken to be its depreciated replacement cost.

(k) Taxation

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

INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

(l) Comparative Figures

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

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

(m) Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(n) Significant Accounting Judgements and Estimates

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

Key estimates

Impairment

Nil

Key judgments

Available-for-sale investments

Nil

(o) 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.

Future Australian Accounting Standards Requirements

The Union has assessed the new and amended pronouncements applicable to future reporting periods and has determined that their effect on the Union is NIL.

INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

ABN 59 914 290 495

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

Note 2: Summary of Significant Accounting Policies (Continued)

(ta) Going Concern

The Union is dependent on the continued financial support from the Independent Education Union of Western Australia, Union of Employees to continue on a going concern basis. A Resolution was passed that the Independent Schools Salaried Officers' Association (ISSOA) (now the Independent Education Union of Western Australia, Union of Employees) will financial support the Union and pay such costs the Union may incur from time to time, where those costs are a consequence of common purpose. The Resolution was carried at the Executive meeting of 15th May 2005

The Union provides no financial support to ensure another reporting unit can continue on a going concern basis.

Note 3: Income

No income was received during the reporting period for Capitation Fees, Levies, Grants or Donations or support from another reporting unit of the organisation.

Note 3A: Membership Subscription

	2013	2012
	\$	\$
Membership subscription:	-	-
Balance	-	-

Note 3B: Capitation Fees

Note 3C: Levies

Note 3D: Grants or Donations

Note 3E: Transfers from IEUwa

	2013	2012
	\$	\$
Membership subscription:	-	-
Balance	-	-
Note 3B: Capitation Fees	-	-
Note 3C: Levies	-	-
Note 3D: Grants or Donations	-	-
Note 3E: Transfers from IEUwa	100,000	90,000

Note 4B: Capitation Fees

Independent Education Union of Western Australia

	2013	2012
Note 4B: Capitation Fees	-	-
Independent Education Union of Western Australia	55,218	61,091
	55,218	61,091

Note 4C: ACTA Affiliation Fees

	2013	2012
Note 4C: ACTA Affiliation Fees	17,009	24,500

Note 4D: Administration expenses

Audit fees

Bank charges

Printing

	2013	2012
Audit fees	1,495	1,900
Bank charges	117	117
Printing	92	-
	1,704	2,017

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

Note 4E: Grants or Donations

-	-
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Note 4F: Legal costs

-	-
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Note 4G: Other expenses

Campaign	-	3,799
Conference and Meeting expenses	97	2,709
Travel and Allowances	7,148	5,323
	<u>7,245</u>	<u>11,831</u>

Note 5: Current Assets

The Union has no fund or account operated in respect of compulsory levies or voluntary contributions, and therefore has no such monies invested in any assets.

The Union has no fund or account (other than the general fund) the operation of which is required by its rules or by the rules of the organisation, and therefore no transfers and/or withdrawal(s) from such an account.

Note 5A: Cash and Cash Equivalents

	Note	2013	2012
		\$	\$
Cash at bank		12,422	1,373
Total cash and cash equivalents		<u>12,422</u>	<u>1,373</u>

Note 5B: Trade and Other Receivables

Receivables from other reporting units	-	-	
Total receivables from other reporting units	-	-	
Less provision for doubtful debts	-	-	
Total receivables - net	-	-	
Other receivables:			
-			
GST receivable from the Australian Taxation Office		3,623	2,928
Total other receivables		<u>3,623</u>	<u>2,928</u>
Total trade and other receivables		<u>3,623</u>	<u>2,928</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

Note 6: Current Liabilities

The Union has no payables or other financial liability to any other reporting unit of the organisation.

The Union has no payables to employers as consideration for the employer making payroll deductions for membership subscriptions, or in respect of legal costs and other expenses related to litigation or other legal matters.

Note 6A: Trade and Other Payables

	Note	2013	2012
		\$	\$
Trade creditors and accruals		-	7,080
Payables to other reporting units		-	-
Total trade payables		-	7,080
Consideration to employers for payroll deductions		-	-
Legal costs		-	-
Total other payables		-	-
Total trade and other payables		-	7,080

Trade and other payables are unsecured and are generally traded on 30 - 90 days credit terms.

Note 7: Provisions

Current	-	-
Non current	-	-
Total Provisions	-	-

Note 9: Segment Information

The Union operates in one business and one geographic segment. Hence no separate segment information has been provided.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

Note 10: Cash Flow

Note 10A: Cash Flow Reconciliation

	Note	2013	2012
		\$	\$
Reconciliation of profit to net cash from operating activities:			
Profit for the year		18,824	(9,439)
Changes in assets/liabilities			
– (Increase)/decrease in trade and other receivables		(695)	(916)
– (Decrease)/increase in trade and other payables		(7,080)	7,080
Net cash generated from operating activities		<u>11,049</u>	<u>(3,275)</u>

Note 10B: Cash Flow Information

Cash inflows

Independent Education Union of Western Australia	100,000	90,000
Total cash inflows	<u>100,000</u>	<u>90,000</u>

Cash outflows

Total cash outflows	<u>-</u>	<u>-</u>
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Note 11: Commitments and contingencies

Capital commitments

As at 31 December 2013 the Union has no material commitments or contingencies.

Note 12: Remuneration of Auditors

Value of the services provided

– Financial statement audit services	1,495	1,900
Total remuneration of auditors	<u>1,495</u>	<u>1,900</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

Note 13: Events after the reporting period

There were no events that occurred after 31 December 2013, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Union.

Note 14: Financial Risk Management

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

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2013	2012
	\$	\$
Financial assets		
Cash and cash equivalents	12,422	1,373
Trade and other receivables	3,623	2,928
Total financial assets	16,045	4,301
Financial liabilities		
Trade and other payables	-	7,080
Total financial liabilities	-	7,080

The Committee's overall risk management strategy seeks to assist the Union in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Committee on a regular basis. These include the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for the operations. The Union does not have any derivative instruments at 31 December 2013.

Specific Financial Risk Exposures and Management

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

There have been no substantive changes in the types of risks the Union is exposed to, how these risks arise, or the Committee's objectives, policies and processes for managing or measuring the risks from the previous period.

Note 14: Financial Risk Management (Continued)

(i) Credit risk

The Union is exposed to credit risk on account of (a) default by individual members to pay their maximum membership fee; and (b) default by tenants to pay for the rent charges.

The Union's maximum exposure to credit risk is the carrying amount of trade and other receivable at reporting date.

The credit risk is managed by ensuring that (a) membership dues are deducted by the employers as part of the payroll processing; and (b) rental dues are invoiced in advance prior to occupancy.

The Union does not monitor the credit risks in relation to cash and cash equivalent, which are transacted through creditworthy financial institutions. The management believes that these institutions are being subject to strict prudential norms imposed by Legislation, Reserve Bank and other regulatory authorities.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(ii) **Liquidity risk**

Liquidity risk is the risk that the Union will encounter difficulties in meeting the contractual obligations of its financial liabilities (principally due to shortage of funds).

Liquidity risk is kept continually under review and managed to ensure that cleared funds are held to meet the obligations on the respective due dates.

Liquidity risk is managed through:

- (a) Monitoring short term forecasted in-flows and the committed cash outflows of financial liabilities;
- (b) Monitoring the unused withdrawal facilities with banks.

The tables below reflect an undiscounted contractual maturity analysis for non-derivative financial liabilities. The Union does not hold directly any derivative financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade and other payables	-	7,080	-	-	-	-	-	7,080
Total expected outflows	-	7,080	-	-	-	-	-	7,080
Financial Assets — cash flows realisable								
Cash and cash equivalents	12,422	1,373	-	-	-	-	12,422	1,373
Trade and other receivables	3,623	2,928	-	-	-	-	3,623	2,928
Total anticipated inflows	16,045	4,301	-	-	-	-	16,045	4,301
Net (outflow)/inflow on financial instruments	16,045	(2,779)	-	-	-	-	16,045	(2,779)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

Note 14: Financial Risk Management (Continued)

(iii) Market risk

(a) Interest rate risk

Interest rate risk is the risk that the fair values and cash-flows of Union's financial instruments will be affected by changes in the market interest rates.

The management of the Union believes that the risk of interest rate movement would not have material impact on Union's operations.

(b) Other price risk

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of securities held.

Sensitivity analysis

The following table illustrates sensitivities to the Union's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables

	Profit	Equity
	\$	\$
Year ended 31 December 2013		
+/-1% in interest rates	-	-
Year ended 31 December 2012		
+/-1% in interest rates	-	-

No sensitivity analysis has been performed on foreign exchange risk as the Union has no material exposures to currency risk.

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair value may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair values is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Union. Most of these instruments, which are carried at amortised cost (ie accounts receivables, loan liabilities), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Union.

INDEPENDENT EDUCATION UNION OF AUSTRALIA WA BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

Note 14: Financial Risk Management (Continued)

	Note	2013		2012	
		Carrying Value	Fair Value	Carrying Value	Fair Value
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	(i)	12,422	12,422	1,373	1,373
Trade and other receivables	(i)	3,623	3,623	2,928	2,928
Total financial assets		16,045	16,045	4,301	4,301
Financial liabilities					
Trade and other payables	(i)	-	-	7,080	7,080
Total financial liabilities		-	-	7,080	7,080

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, accounts receivable and other debtors and accounts payable and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables excludes amounts provided for annual leave, which is outside the scope of AASB 139.

Note 15: Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or the General Manager of Fair Work Australia:

- (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).



Anderson Munro & Wyllie

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INDEPENDENT EDUCATION UNION OF AUSTRALIA, WESTERN AUSTRALIA BRANCH

Report on the Financial Report

We have audited the accompanying financial report of Independent Education Union of Australia, Western Australia 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 statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by members of the committee.

Committee's Responsibility for the Financial Report

The committee of the Union is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and *Fair Work 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. In Note 2, the Committee of Management also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with Australian Accounting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

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 judgment, 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 accounting policies used and the reasonableness of accounting estimates made by the committee, 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.

Independence

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



Auditor's Opinion

In my opinion:

- (1) The general purpose financial report of the Independent Education Union of Australia, WA Branch is in accordance with:
 - a. the *Fair Work (Registered Organisations) Act 2009*, including:
 - (i) presenting fairly the Union's financial position as at 31 December 2013 and of its performance for the year ended on that date: and
 - (ii) complying with applicable Australian Accounting Standards (including Australian Accounting Interpretations); and
 - b. the financial statements also complies with International Financial Reporting Standards as disclosed in Note 2 and the requirements imposed by Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.
- (2) The Union has kept satisfactory accounting records for the financial year including records of:
 - a. the sources and nature of the Union's income, including membership subscriptions and other income from members; and
 - b. the nature of and reasons for the Union's expenditure.
- (3) All the information and explanations that officers or employees of the Union were required to provide have been provided; and
- (4) There was no deficiency, failure or shortcoming in any matter referred to in (1) to (3) above.

Dated at Perth, Western Australia this 16th day of May 2014

AMW (AUDIT) PTY LTD

Anderson Munro & Wyllie

ANDERSON MUNRO & WYLLIE
Chartered Accountants

Christopher McLaughlin

CHRISTOPHER MCLAUGHLIN
Director & Registered Company Auditor