



9 January 2017

Mr John Lyons
President
VIPA
Level 3, 231 George Street
Brisbane QLD 4001

By e-mail: warwick.rentongibb@vipa.asn.au

Dear Mr Lyons

**VIPA
Financial Report for the year ended 30 June 2016 - FR2016/200**

I acknowledge receipt of the financial report for the year ended 30 June 2016 for VIPA. The financial report was lodged with the Fair Work Commission on 6 December 2016.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

Whilst the 2016 report has been filed the following should be addressed in the preparation of the next financial report.

1. General Purpose Financial Report (GPFR)

Operating lease

Note 4B to the GPFR states that operating lease rentals 'Minimum lease payments' for 2015-16 was \$61,262. *AASB117 Leases* paragraph 35 specifies the disclosure requirements for operating leases. Not all of this information has been provided.

Use of Model Financial Statements

VIPA has used the Fair Work Commission 'Model Financial Statements' as the basis for preparing the GPFR. The model statements are for illustrative purposes only.

It is noted that the VIPA GPFR includes some information that is not required by the *Fair Work (Registered Organisations) Act 2009, Fair Work (Registered Organisations) Regulations 2009*, the 4th edition of the Reporting Guidelines made under section 255 of the RO Act or Australian Accounting Standards and is not useful to users of the report. Note 13B to the VIPA GPFR is an example of this.

Please ensure that only relevant disclosures are included in future reports.

2. Auditor's Statement

Auditor's qualifications

Regulation 4 of the RO Regulations provides the definition of an approved auditor. Item 38 of the Reporting Guidelines requires that in the Auditor's Statement, the auditor must declare they are either an approved auditor or the auditor is a member of a firm where at least one member is an approved auditor and must specify that the auditor is a person who is a member of CPA Australia, Chartered Accountants Australia and New Zealand or the Institute of Public Accountants, and holds a current Public Practice Certificate.

I note that this information has not been included in the Auditor's Statement.

Declaration relating to management use of going concern basis of accounting

Item 39 of the Reporting Guidelines requires that the Auditor's Statement include a declaration, that as part of the audit of the financial statements, they have concluded that management's use of the going concern basis of accounting in the preparation of the financial statement is appropriate.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8656 4685 or by email at ken.morgan@fwc.gov.au

Yours sincerely

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

Ken Morgan
Financial Reporting Advisor
Regulatory Compliance Branch



FINANCIAL STATEMENTS 2015-16

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIPA

Report on the Financial Report

We have audited the accompanying financial report of VIPA, which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisation) Act 2009* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard (AASB) and the *Fair Work (Registered Organisation) Act 2009* that the financial statements comply with Accounting Standard (AASB) and the *Fair Work (Registered Organisation) Act 2009*.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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.

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DIRECTORS

Stephen Wight CA
Stephen Kirtley CA

Opinion

In our opinion:

- (a) the financial report of VIPA is in accordance with the *Fair Work (Registered Organisation) Act 2009*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards
- (b) the financial report also complies with *Fair Work (Registered Organisation) Act 2009* as disclosed in Note 1.



Stephen Kirtley
Director

Dated this 8th day of November 2016

Davidsons Assurance Services Pty Ltd
101 West Fyans Street
Geelong Victoria 3220

VIPA

s.268 *Fair Work (Registered Organisations) Act 2009*

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the period ended 30 June 2016

I John Lyons being the President of VIPA certify:

- that the documents lodged herewith are copies of the full report for VIPA for the period ended 30 June 2016 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 9 November 2016; and
- that the full report was presented to a general meeting of members of the reporting unit on 30 November 2016 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

Signature of prescribed designated officer:

Name of prescribed designated officer: John Lyons

Title of prescribed designated officer: President

Dated: 1 December 2016

VIPA

OPERATING REPORT

for the period ended 30 June 2016

The committee presents its report on the reporting unit for the financial year ended 30 June 2016.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

VIPA's principle activity throughout the course of the financial year was the provision of representation and negotiation on behalf of Virgin Australia Group pilot members.

There were no significant changes in the nature of activities undertaken throughout the course of the financial year.

During the year, VIPA's core focus was upon the negotiation of two Enterprise Bargaining Agreements (Narrow Body and Wide Body EBAs) on behalf of members. VIPA has provided representation for an unprecedented number of members on technical, legal, industrial and safety-related matters.

To ensure VIPA represents its members' views accurately, VIPA remains committed to engaging in regular consultation with members. This is achieved through by way of email communications, comprehensive and timely updates, consultation via face to face meetings, surveys and discussions conducted whilst 'flying the line.'

VIPA sustained an operational loss for the reporting period due to one-off expenses experienced as a result of restructuring the Association. These will not be repeated and the outlook for the next reporting period is favourable.

Significant changes in financial affairs

During the year the following significant changes in financial affairs occurred.

Significant Change	Nature of Change
<i>Membership Fees increased by 1.7%</i>	<i>Minimal change in fees revenue following slight decrease in number of members (2016: 526, 2015: 552)</i>
<i>Contractor / Consulting Fees increased by 61%</i>	<i>Following the departure of Executive Director Simon O'Hara a contractor arrangement was entered into with Warwick Renton-Gibb as General Manager of the Association</i>
<i>Employee Expenses decreased by 9.5%</i>	<i>Reduction due to cessation of employment of Francisco Briceno and Simon O'Hara</i>
<i>Cash and Cash Equivalents decreased by 24%</i>	<i>The decrease in cash was primarily a result of one-off operational cash outflows incurred in the course of restructuring VIPA</i>
<i>Total Liabilities decreased by 21%</i>	<i>The decrease in liabilities was due to payment of employment liabilities for the former Executive Director, reduction in other payables and a decrease in unearned revenue</i>
<i>A loss for the year ended 30 June 2016</i>	<i>This loss was driven by one-off expenses associated with restructuring VIPA. These included: four years amortisation of VIPA establishment costs, redundancy payment to Simon O'Hara, Sydney office closure costs, donation made to HIMS and EBA-related benchmarking consultant's fees</i>

Right of members to resign

Subject to the rules of the organisation and Section 174 of the Fair Work (Registered Organisation) Act 2009, members have the right to resign from membership of the organisation by written notice addressed to and delivered to the Committee of Management.

Officers or members who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee

No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.

Number of members

The number of persons that were at the end of the financial year recorded in the register of members for Section 230 of Fair Work (Registered Organisation) Act 2009 and who were taken to be members of VIPA under Section 244 of the Fair Work (Registered Organisations) Act was 526.

Number of employees

The number of persons that were at the end of the financial year employees of VIPA including both full time and part time employees was 4 (2015: 4)

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

<i>John Lyons</i>	<i>President</i>	<i>1 July 2015 to 30 June 2016</i>
<i>Karl Davis</i>	<i>Vice President</i> <i>Committee Member</i>	<i>1 July 2015 to 26 November 2015</i> <i>27 November 2015 to 30 June 2016</i>
<i>Tony Dodd</i>	<i>Treasurer</i>	<i>1 July 2015 to 26 November 2015</i>
<i>Adrian Moore</i>	<i>Committee Member</i> <i>Secretary</i>	<i>1 July 2015 to 26 November 2015</i> <i>27 November 2015 to 30 June 2016</i>
<i>Andrew Hunt</i>	<i>Committee Member</i>	<i>1 July 2015 to 30 June 2016</i>
<i>Adam Fitch</i>	<i>Committee Member</i>	<i>1 July 2015 to 30 June 2016</i>
<i>Eivind Eikli</i>	<i>Committee Member</i>	<i>1 July 2015 to 30 June 2016</i>
<i>Gavin Sheppard</i>	<i>Committee Member</i>	<i>1 July 2015 to 30 June 2016</i>
<i>Phil Bunder</i>	<i>Committee Member</i> <i>Vice President</i>	<i>1 July 2015 to 26 November 2015</i> <i>27 November 2015 to 30 June 2016</i>
<i>Sandy Antal</i>	<i>Committee Member</i>	<i>1 July 2015 to 26 November 2015</i>
<i>Shane Murdock</i>	<i>Treasurer</i>	<i>27 November 2015 to 30 June 2016</i>
<i>Anthony Rose</i>	<i>Committee Member</i>	<i>27 November 2015 to 30 June 2016</i>
<i>Alan White</i>	<i>Committee Member</i>	<i>27 November 2015 to 30 June 2016</i>

Signature of designated officer:



Name and title of designated officer: John Stewart Lyons

Dated:

7 November 2016

VIPA

COMMITTEE OF MANAGEMENT STATEMENT

for the period ended 30 June 2016

On 7 November 2016 the Committee of Management of VIPA passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2016:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation 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 RO Act; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period

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

Signature of designated officer:



Name and title of designated officer: John Stewart Lyons - President

Dated:

7 November 2016

VIPA
STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 June 2016

	Notes	2016 \$	2015 \$
Revenue			
Membership subscription*		740,698	731,544
Capitation fees		-	-
Levies		-	-
Interest	3A	3,983	7,864
Other revenue		33,163	-
Total revenue		777,844	739,408
Other Income			
Grants and/or donations		-	-
Total other income		-	-
Total income		777,844	739,408
Expenses			
Employee expenses	4A	357,992	395,145
Capitation fees		-	-
Affiliation fees		-	-
Administration expenses	4B	442,950	298,927
Grants or donations	4C	5,000	-
Depreciation and amortisation	4D	57,437	2,450
Legal costs	4E	24,517	24,935
Audit fees	12	4,700	-
Other expenses	4F	-	-
Total expenses		892,596	721,457
Profit (loss) for the year		(114,752)	17,951
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss		-	-
Total comprehensive income for the year		(114,752)	17,951

The above statement should be read in conjunction with the notes.

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

VIPA
STATEMENT OF FINANCIAL POSITION
as at 30 June 2016

	Notes	2016 \$	2015 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	394,827	519,545
Trade and other receivables	5B	41,925	59,610
Other current assets	5C	825	-
Total current assets		437,577	579,155
Non-Current Assets			
Plant and equipment	6A	2,194	3,421
Intangibles	6B	14,053	70,263
Other investments	6C	441	1,090
Total non-current assets		16,688	74,774
Total assets		454,265	653,929
LIABILITIES			
Current Liabilities			
Trade payables	7A	24,265	8,259
Other payables	7B	274,557	348,246
Employee provisions	8A	14,433	58,549
Total current liabilities		313,255	415,054
Non-Current Liabilities			
Employee provisions	8A	16,887	-
Total non-current liabilities		16,887	-
Total liabilities		330,142	415,054
Net assets		124,123	238,875
EQUITY			
Retained earnings		124,123	238,875
Total equity		124,123	238,875

The above statement should be read in conjunction with the notes.

VIPA
STATEMENT OF CHANGES IN EQUITY
for the period ended 30 June 2016

	Notes	Retained earnings \$	Total equity \$
Balance as at 1 July 2014		220,924	220,924
Adjustment for errors		-	-
Adjustment for changes in accounting policies		-	-
Profit for the year		17,951	17,951
Closing balance as at 30 June 2015		238,875	238,875
Adjustment for errors		-	-
Adjustment for changes in accounting policies		-	-
Profit (loss) for the year		(114,752)	(114,752)
Transfer from retained earnings		-	-
Closing balance as at 30 June 2016		124,123	124,123

The above statement should be read in conjunction with the notes.

VIPA
CASH FLOW STATEMENT
for the period ended 30 June 2016

	Notes	2016 \$	2015 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units/controlled entity(s)		-	-
Interest	10B	3,983	7,864
Other	10B	724,834	819,651
Cash used			
Employees	10B	(379,010)	(364,411)
Suppliers	10B	(474,525)	(494,312)
Payment to other reporting units/controlled entity(s)		-	-
Net cash from (used by) operating activities	10A	(124,718)	(31,208)
INVESTING ACTIVITIES			
Cash used			
Purchase of plant and equipment		-	-
Net cash from (used by) investing activities		-	-
FINANCING ACTIVITIES			
Cash received			
Other		-	18,715
Net cash from (used by) financing activities		-	18,715
Net increase (decrease) in cash held		(124,718)	(12,493)
Cash & cash equivalents at the beginning of the reporting period		519,545	532,038
Cash & cash equivalents at the end of the reporting period	5A	394,827	519,545

The above statement should be read in conjunction with the notes.

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Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, VIPA is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

There have not been any material accounting assumptions or estimates that have been identified that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next reporting period.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

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

The accounting policies adopted are consistent with those of the previous financial year except for the following standards and amendments, which have been adopted for the first time this financial year:

- AASB 2013-9 *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments* contains three main parts and makes amendments to a number of Standards and Interpretations.

Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1.

Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards.

Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 Hedge Accounting into AASB 9 *Financial Instruments*.

The adoption of this amendment did not have an impact on VIPA.

- *AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality* completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards
The adoption of this amendment did not have an impact on VIPA.
- *AASB 2015-4 Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent* aligns the relief available in *AASB 10 Consolidated Financial Statements* and *AASB 128 Investments in Associates and Joint Ventures* in respect of the financial reporting requirements for Australian groups with a foreign parent.
The adoption of this amendment did not have an impact on VIPA.

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and applicable to the future reporting period that are expected to have a future financial impact on VIPA include: none applicable.

1.5 Revenue

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

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

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.

Donation income 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.

1.6 Gains

Sale of assets

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

1.7 Capitation fees and levies

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

1.8 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. Reporting Unit recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

1.9 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating

lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.10 Borrowing costs

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

1.11 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.

1.12 Financial instruments

Financial assets and financial liabilities are recognised when a VIPA 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.

1.18 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Fair value through profit or loss

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

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling 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 asset other than a financial asset 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
- the financial asset 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 assets 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 dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Available-for-sale

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and

accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Derecognition of financial assets

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the assets carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

1.19 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'.

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
- 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.

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.

Derecognition of financial liabilities

The reporting unit 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.

1.20 Contingent Liabilities and Contingent Assets

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

1.21 Land, Buildings, Plant and Equipment

Asset Recognition Threshold

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

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

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

	2016	2015
Plant and equipment	3 to 8 years	3 to 8 years

Derecognition

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

1.22 Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and

amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The useful life of VIPA intangible assets are:

Intangibles	2016 5 years	2015 5 years
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Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised.

1.23 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 of disposal 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 VIPA were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.24 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

1.25 Taxation

VIPA 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).

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.

1.26 Fair value measurement

VIPA measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by VIPA. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

VIPA uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, VIPA determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, VIPA has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

1.27 Going concern

VIPA is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

Note 2 Events after the reporting period

There were no events that occurred after 30 June 2016, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of VIPA.

	2016	2015
	\$	\$
Note 3 Income		
Note 3A: Interest		
Deposits	3,983	7,864
Total interest	<u>3,983</u>	<u>7,864</u>
Note 4 Expenses		
Note 4A: Employee expenses*		
Holders of office:		
Wages and salaries	8,514	160,076
Superannuation	1,244	16,313
Leave and other entitlements	15,814	11,638
Separation and redundancies	32,748	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	<u>58,320</u>	<u>188,027</u>
Employees other than office holders:		
Wages and salaries	228,367	181,407
Superannuation	24,800	16,384
Leave and other entitlements	42,728	9,327
Separation and redundancies	-	-
Other employee expenses	3,777	-
Subtotal employee expenses employees other than office holders	<u>299,672</u>	<u>207,118</u>
Total employee expenses	<u>357,992</u>	<u>395,145</u>
Note 4B: Administration expenses		
Consideration to employers for payroll deductions*	-	-
Compulsory levies*		
Fees/allowances - meeting and conferences*	-	-
Conference and meeting expenses*	1,935	-
Contractors/consultants	221,427	129,375
Office expenses	-	-
Information communications technology	27,835	5,069
Other expenses	130,491	121,015
Subtotal administration expense	<u>381,688</u>	<u>255,459</u>
Operating lease rentals:		
Minimum lease payments	61,262	43,468
Total administration expenses	<u>442,950</u>	<u>298,927</u>

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

	2016	2015
	\$	\$
Note 4C: Grants or donations*		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	5,000	-
Total grants or donations	5,000	-

Note 4D: Depreciation and amortisation

Depreciation		
Property, plant and equipment	1,227	2,450
Total depreciation	1,227	2,450
Amortisation		
Intangibles	56,210	-
Total amortisation	56,210	-
Total depreciation and amortisation	57,437	2,450

Note 4E: Legal costs*

Litigation	9,854	11,408
Other legal matters	14,663	13,527
Total legal costs	24,517	24,935

Note 4F: Other expenses

Penalties - via RO Act or RO Regulations*	-	-
Total other expenses	-	-

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

2016	2015
\$	\$

Note 5 Current Assets

Note 5A: Cash and Cash Equivalents

Cash at bank	394,827	496,287
Short term deposits	-	23,258
Total cash and cash equivalents	394,827	519,545

Note 5B: Trade and Other Receivables

Receivables from other reporting unit[s]*

	-	-
Total receivables from other reporting unit[s]	-	-

Less provision for doubtful debts*

	-	-
Total provision for doubtful debts	-	-
Receivable from other reporting unit[s] (net)	-	-

Other receivables:

Trade receivables and accruals	(3,503)	10,344
GST receivable from the Australian Taxation Office	972	-
Overpayment to the Australian Taxation Office	-	4,810
Loan – VIPA Member	44,456	44,456
Total other receivables	45,428	49,266
Total trade and other receivables (net)	41,925	59,610

Note 5C: Other Current Assets

Prepaid rent	825	-
Total other current assets	825	-

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

2016	2015
\$	\$

Note 6 Non-current Assets

Note 6A: Plant and equipment

Plant and equipment:

at cost	18,890	18,890
accumulated depreciation	(16,696)	(15,469)
Total plant and equipment	2,194	3,421

Reconciliation of the Opening and Closing Balances of Plant and Equipment

As at 1 July 2015

Gross book value	18,890	18,890
Accumulated depreciation and impairment	(15,469)	(13,019)
Net book value 1 July	3,421	5,871
Depreciation expense	(1,227)	(2,450)
Net book value 30 June 2016	2,194	3,421

Net book value as of 30 June represented by:

Gross book value	18,890	18,890
Accumulated depreciation and impairment	(16,696)	(15,469)
Net book value 30 June 2016	2,194	3,421

Note 6B: Intangibles

Formation Expenses	14,053	70,263
Total intangibles	14,053	70,263

Reconciliation of the Opening and Closing Balances of Intangibles

As at 1 July

Gross book value	70,263	70,263
Net book value 1 July	70,263	70,263
Amortisation	(56,210)	-
Net book value 30 June	14,053	70,263

Net book value as of 30 June represented by:

Gross book value	70,263	70,263
Accumulated amortisation and impairment	(56,210)	-
Net book value 30 June	14,053	70,263

Note 6C: Other Investments

Shares in Listed Companies	441	1090
Total other investments	441	1090

2016	2015
\$	\$

Note 7 Current Liabilities

Note 7A: Trade payables

Trade creditors and accruals	24,265	8,259
Subtotal trade creditors	24,265	8,259
Payables to other reporting unit[s]*	-	-
Subtotal payables to other reporting unit[s]	-	-
Total trade payables	24,265	8,259

Settlement is usually made within 30 days.

Note 7B: Other payables

Wages and salaries	1,236	-
Superannuation	6,974	8,937
Consideration to employers for payroll deductions*	-	-
Credit card	(2,626)	1,973
Unpaid expense claims	-	(473)
Legal costs*		
Litigation	-	-
Other legal matters	-	-
Unearned revenue	238,121	325,141
GST payable	25,965	5,657
PAYG withholding payable	4,887	7,011
Total other payables	274,557	348,246

Total other payables are expected to be settled in:

No more than 12 months	274,557	348,246
More than 12 months	-	-
Total other payables	274,557	348,246

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

	2016	2015
	\$	\$
Note 8 Provisions		
Note 8A: Employee Provisions*		
Office Holders:		
Annual leave	-	38,315
Long service leave	9,511	-
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—office holders	9,511	38,315
Employees other than office holders:		
Annual leave	14,433	20,234
Long service leave	7,376	-
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—employees other than office holders	21,809	20,234
Total employee provisions	31,320	58,549
Current	14,433	58,549
Non Current	16,887	-
Total employee provisions	31,320	58,549

Note 9 Equity

Note 9A: Other Specific disclosures - Funds*

Compulsory levy/voluntary contribution fund – if invested in assets

- -

Other fund(s) required by rules

Balance as at start of year

- -

Transferred to reserve

- -

Transferred out of reserve

- -

Balance as at end of year

- -

*As required by Reporting Guidelines. Items to be disclosed even if nil.

2016	2015
\$	\$

Note 10 Cash Flow

Note 10A: Cash Flow Reconciliation

Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:

Cash and cash equivalents as per:

Cash flow statement	394,827	519,545
Balance sheet	394,827	519,545
Difference	-	-

Reconciliation of profit/(deficit) to net cash from operating activities:

Profit/(deficit) for the year	(114,752)	17,951
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Adjustments for non-cash items

Depreciation/amortisation	57,437	2,450
Net write-down of non-financial assets	-	-
Fair value movements in investments	649	-
Gain on disposal of assets	-	-

Changes in assets/liabilities

(Increase)/decrease in net receivables	18,159	10,344
(Increase)/decrease in prepayments	(825)	-
Increase/(decrease) in supplier payables	(58,157)	(80,220)
Increase/(decrease) in other payables	-	-
Increase/(decrease) in employee provisions	(27,229)	18,267
Increase/(decrease) in other provisions	-	-
Net cash from (used by) operating activities	(124,718)	(31,208)

Note 10B: Cash flow information*

Cash inflows	728,817	827,515
Total cash inflows	728,817	827,515
Cash outflows	853,535	858,723
Total cash outflows	853,535	858,723

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

2016	2015
\$	\$

Note 11 Related Party Disclosures

Note 11A: Related Party Transactions for the Reporting Period

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

Revenue received from includes the following:

-	-
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Expenses paid to Warwick Renton-Gibb ATF Renton-Gibb Property Trust includes the following:

Consulting Fees	146,852	129,375
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Expenses paid to Salinda Developments Pty Ltd (John Stewart Lyons) includes the following:

Consulting Fees	59,995	-
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Amounts owed to Warwick Renton-Gibb include the following:

Accrued Superannuation	13,300	-
Accrued Long Service Leave	543	

Amounts owed to John Stewart Lyons include the following:

Accrued Long Service Leave	8,968	-
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Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2016, VIPA has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2015: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

2016	2015
\$	\$

Note 11B: Key Management Personnel Remuneration for the Reporting Period

Short-term employee benefits

Salary (including annual leave taken)	8,514	160,076
Annual leave paid	38,315	8,405
Personal leave paid	1,310	3,233
Total short-term employee benefits	48,139	171,714

Post-employment benefits:

Superannuation	1,244	16,313
Total post-employment benefits	1,244	16,313

Other long-term benefits:

Long-service leave	14,674	-
Total other long-term benefits	14,674	-

Termination benefits

	32,748	-
Total	32,748	-

Note 11C: Transactions with key management personnel and their close family members

Loans to/from key management personnel

-	-
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Other transactions with key management personnel

-	-
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Note 12 Remuneration of Auditors

Value of the services provided

Financial statement audit services	4,700	-
Other services	-	-
Total remuneration of auditors	4,700	-

Accounting services were provided by McHenry's Partners (previous auditor)

2016	2015
\$	\$

Note 13 Financial Instruments

Credit Risk

Exposure to credit risk relating to the financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to financial loss to VIPA.

The maximum exposure to credit risk by class or recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

There is no collateral held by VIPA securing amounts receivable and debtors.

VIPA has no significant credit risk.

Liquidity Risk

Liquidity risk arises from the possibility that VIPA might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. VIPA maintains only a small holding of Virgin Australia Holding Limited shares, all other surplus assets are held in deposits with major financial institutions. VIPA monitors the recovery of accounts receivable.

Note 13A: Categories of Financial Instruments

Financial Assets

Fair value through profit or loss:		
Cash and cash equivalents	394,827	519,545
Trade and other receivables	41,925	59,610
Prepayments	825	-
Shares in Listed Companies	441	1090
Total	438,018	580,245
	<hr/>	<hr/>
Carrying amount of financial assets	438,018	580,245
	<hr/> <hr/>	<hr/> <hr/>

Financial Liabilities

Fair value through profit or loss:		
Trade and other payables	298,822	356,505
Total	298,822	356,505
	<hr/>	<hr/>
Carrying amount of financial liabilities	298,822	356,505
	<hr/> <hr/>	<hr/> <hr/>

	2016	2015
	\$	\$
Note 13B: Net Income and Expense from Financial Assets		
Held-to-maturity		
Interest revenue	-	-
Exchange gains/(loss)	-	-
Impairment	-	-
Gain/loss on disposal	-	-
Net gain/(loss) held-to-maturity	-	-
Loans and receivables		
Interest revenue	-	-
Exchange gains/(loss)	-	-
Impairment	-	-
Gain/loss on disposal	-	-
Net gain/(loss) from loans and receivables	-	-
Available for sale		
Interest revenue	-	-
Dividend revenue	-	-
Exchange gains/(loss)	-	-
Gain/loss recognised in equity	-	-
Amounts reversed from equity:		
Impairment	-	-
Fair value changes reversed on disposal	-	-
Gain/loss on disposal	-	-
Net gain/(loss) from available for sale	-	-
Fair value through profit and loss		
Held for trading:		
Change in fair value	-	-
Interest revenue	-	-
Dividend revenue	-	-
Exchange gains/(loss)	-	-
Total held for trading	-	-
Designated as fair value through profit and loss:		
Change in fair value	(649)	-
Interest revenue	-	-
Dividend revenue	-	-
Exchange gains/(loss)	-	-
Total designated as fair value through profit and loss	(649)	-
Net gain/(loss) at fair value through profit and loss	(649)	-
Net gain/(loss) from financial assets	(649)	-

The net income/expense from financial assets not at fair value from profit and loss is \$Nil (2015: \$Nil).

2016 2015
\$ \$

Note 13C: Credit Risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. VIPA's maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets indicated in the balance sheet.

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

Financial assets

Trade and other receivables	41,925	59,610
Total	41,925	41,925

Financial liabilities

Trade and other payables	298,822	298,822
Total	298,822	298,822

In relation to the entity's gross credit risk no collateral is held.

Credit quality of financial instruments not past due or individually determined as impaired

	Not Past Due Nor Impaired 2016 \$	Past due or impaired 2016 \$	Not Past Due Nor Impaired 2015 \$	Past due or impaired 2015 \$
Trade and other receivables	41,925	-	59,610	-
Total	41,925	-	59,610	-

Note 13D: Credit Risk (continued)

Ageing of financial assets that were past due but not impaired for 2016

	0 to 30 days \$	31 to 60 days \$	61 to 90 days \$	90+ days \$	Total \$
Trade and other receivables	-	-	-	-	-
Prepayments	-	-	-	-	-
Total	-	-	-	-	-

Ageing of financial assets that were past due but not impaired for 2015

	0 to 30 days \$	31 to 60 days \$	61 to 90 days \$	90+ days \$	Total \$
	-	-	-	-	-
Total	-	-	-	-	-

There were no receivables that were past due but not impaired.

Note 13E: Liquidity Risk

Liquidity risk arises when VIPA is unable to meet its financial obligations as they fall due. VIPA typically settles financial obligations within 30 days. It manages risk by monitoring cash flow to ensure adequate holdings of cash and cash equivalents. VIPA's exposure to liquidity risk is deemed insignificant based on prior period's data and current assessment of risk.

Contractual maturities for financial liabilities 2016

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade and other payables	-	24,265	-	-	-	24,265
Total	-	24,265	-	-	-	24,265

Maturities for financial liabilities 2015

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade and other payables	-	8,259	-	-	-	8,259
Total	-	8,259	-	-	-	8,259

Note 13F: Market Risk

VIPA does not have any material exposure to market risk.

Note 14 Fair Value Measurement

Note 14A: Financial Assets and Liabilities

Management of the reporting unit assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 30 June 2016 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30 June 2016 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The following table contains the carrying amounts and related fair values for VIPA's financial assets and liabilities:

	Carrying amount 2016 \$	Fair value 2016 \$	Carrying amount 2015 \$	Fair value 2015 \$
Financial Assets				
Cash and cash equivalents	394,827	394,827	519,545	519,545
Trade and other receivables	41,925	41,925	59,610	59,610
Prepayments	825	825	-	-
Shares in Listed Companies	441	441	1,090	925
Total	438,018	438,018	580,245	580,080
Financial Liabilities				
Trade and other payables	298,822	298,822	356,505	356,505
Total	298,822	298,822	356,505	356,505

Fair value hierarchy – 30 June 2016

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		\$	\$	\$
Shares in Listed Companies	30 June 2016	441		
Total		441		

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 General Manager:

- (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).