



16 January 2019

Mr John Lyons  
President  
VIPA  
Level 3, 303/115 Military Rd  
NEUTRAL BAY NSW 2089

By email: [john.lyons@vipa.asn.au](mailto:john.lyons@vipa.asn.au)

CC: [stephenk@davidsons.com.au](mailto:stephenk@davidsons.com.au)

Dear Mr Lyons,

**VIPA Financial Report for the year ended 30 June 2018 - [FR2018/145]**

I acknowledge receipt of the financial report for the year ended 30 June 2018 for VIPA (**the reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 16 November 2018. I also acknowledge the lodgement of a subsection 255(2A) report on 9 January 2019.

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 30 June 2019 may be subject to an advanced compliance review.

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

References to the ROC

Following the enactment of the *Fair Work (Registered Organisations) Amendment Act 2016*, the ROC is the new regulator for registered organisations, with effect from 1 May 2017. All references to the Fair Work Commission (**FWC**) and General Manager must be changed to the Registered Organisations Commission and Commissioner except in relation to declaration (e)(vi) in the committee of management statement.

I note that item (e)(v) in the committee of management statement and in Note 16 in the financial report refers to the 'General Manager' instead of the 'Commissioner'.

### Subsection 255(2A) report to be included

A general purpose financial report prepared under section 253 of the RO Act also includes the expenditure report required to be prepared under subsection 255(2A) as prescribed by reporting guideline 22. The financial report lodged on 16 November 2018 did not include a subsection 255(2A) expenditure report.

Please also note that the subsection 255(2A) report must be identified by title in the auditor's statement in accordance with paragraph 24(c) of Australian Auditing Standard ASA 700 *Forming an Opinion and Reporting on a Financial Report*.

Please ensure in future years that the subsection 255(2A) report is prepared, audited, provided to members and lodged with the ROC.

### Nil activities disclosure

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

- agree to provide financial support to another reporting unit to ensure they continue as a going concern (reporting guideline 11);
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission (reporting guideline 12);
- have another entity administer the financial affairs of the reporting unit (reporting guideline 19);
- make a payment to a former related party of the reporting unit (reporting guideline 20).

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

### **Reporting Requirements**

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements. The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (02) 8293 4654 or via email at [david.vale@roc.gov.au](mailto:david.vale@roc.gov.au).

Yours faithfully



David Vale  
Registered Organisations Commission

**VIPA**

**EXPENDITURE REPORT**

*for the year ended 30 June 2018*

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2018.

VIPA has chosen to report this information in descriptive form using the discretion provided under subsection 255(2A).

<b>Categories of expenditures</b>	<b>2018 \$</b>	<b>2017 \$</b>
Remuneration and other employment-related costs and expenses - employees	477,677	445,796
Advertising	-	-
Operating costs	239,253	232,850
Donations to political parties	-	-
Legal costs	1,750	13,591



Signature of designated officer: .....

Name and title of designated officer: *John Stewart Lyons, President* .....

Dated: *9 January 2019* .....



## **FINANCIAL STATEMENTS 2017-18**

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## INDEPENDENT AUDIT REPORT TO THE MEMBERS OF VIPA

### Opinion

I have audited the financial report of VIPA (the Reporting Unit), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2018, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of VIPA as at 30 June 2018, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

I declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Information Other than the Financial Report and Auditor's Report Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.



## **Responsibilities of Committee of Management for the Financial Report**

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Financial Report**

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.



I communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I declare that I am an approved auditor, a member of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

Stephen Kirtley  
Director

Dated this *5<sup>th</sup>* day of *October* 2018

Davidsons Assurance Services Pty Ltd

101 West Fyans Street  
Geelong Victoria 3220

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/181

**VIPA**

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

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**

Certificate for the period ended 30 June 2018

I John Lyons being the President of VIPA certify:

- that the documents lodged herewith are copies of the full report for the VIPA for the period ended 30 June 2018 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 19 October 2018; and
- that the full report was presented to a general meeting of members of the reporting unit on 14 November 2018 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.



Signature of prescribed designated officer:.....

Name of prescribed designated officer: John Lyons

Title of prescribed designated officer: President

Dated: 15 November 2018 .....



## VIPA

### OPERATING REPORT

for the period ended 30 June 2018

The committee presents its report on the reporting unit for the financial year ended 30 June 2018.

#### **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.*

*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.'*

#### **Significant changes in financial affairs**

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

<b>Significant Change</b>	<b>Nature of Change</b>
<i>Decrease in Other Revenue for the year ended 30 June 2018</i>	<i>Reduction in payments received from VLF Limited for the year ended 30 June 2018</i>
<i>Increase in Employee Expenses</i>	<i>There was a 7.15% increase in Employee Expenses for the year ended 30 June 2018</i>
<i>Increase in Administration Expenses</i>	<i>There was an 8.7% increase in Administration Expenses for the year ended 30 June 2018</i>
<i>Decrease in Profit</i>	<i>The decrease in profit principally as a result of the following factors:</i> <ul style="list-style-type: none"><li><i>- Reduction in Other Revenue,</i></li><li><i>- Increase in Employee Expenses</i></li><li><i>- Increase in Administration Expenses</i></li></ul>

#### **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 507.*

**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 6 (2017: 5)*

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

<i>John Lyons</i>	<i>President</i>	<i>1 July 2017 to 30 June 2018</i>
<i>Phil Bunder</i>	<i>Vice President</i>	<i>1 July 2017 to 13 October 2017</i>
<i>Matthew Purton</i>	<i>Vice President</i>	<i>13 October 2017 – 30 June 2018</i>
<i>Shane Murdock</i>	<i>Treasurer</i>	<i>1 July 2017 to 30 June 2018</i>
<i>Adrian Moore</i>	<i>Secretary</i>	<i>1 July 2017 to 30 June 2018</i>
<i>Karl Davis</i>	<i>Committee Member</i>	<i>1 July 2017 to 13 October 2017</i>
<i>Andrew Hunt</i>	<i>Committee Member</i>	<i>1 July 2017 to 13 October 2017</i>
<i>Adam Fitch</i>	<i>Committee Member</i>	<i>1 July 2017 to 30 June 2018</i>
<i>Eivind Eikli</i>	<i>Committee Member</i>	<i>1 July 2017 to 13 October 2017</i>
<i>Gavin Sheppard</i>	<i>Committee Member</i>	<i>1 July 2017 to 13 October 2017</i>
<i>Mike Smith</i>	<i>Committee Member</i>	<i>1 July 2017 to 13 October 2017</i>
<i>Anthony Rose</i>	<i>Committee Member</i>	<i>1 July 2017 to 13 October 2017</i>
<i>Alan White</i>	<i>Committee Member</i>	<i>1 July 2017 to 13 October 2017</i>
<i>Sandor Antal</i>	<i>Committee Member</i>	<i>13 October 2017 – 30 June 2018</i>
<i>Mark Moore</i>	<i>Committee Member</i>	<i>13 October 2017 – 30 June 2018</i>

Signature of designated officer:



Name and title of designated officer: John Stewart Lyons

Dated: 4 October 2018

## VIPA

### COMMITTEE OF MANAGEMENT STATEMENT

for the period ended 30 June 2018

On 4 October 2018 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 2018:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the 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: 4 October 2018

**VIPA**  
**STATEMENT OF COMPREHENSIVE INCOME**  
*for the period ended 30 June 2018*

	Notes	2018 \$	2017 \$
<b>Revenue</b>			
Membership subscription*		<b>723,040</b>	726,035
Capitation fees		-	-
Levies		-	-
Interest	3A	<b>2,001</b>	2,211
Other revenue		<b>19,845</b>	56,722
<b>Total revenue</b>		<b>744,886</b>	784,968
<b>Other Income</b>			
Grants and/or donations*		-	-
Revenue from recover of wages activity*		-	-
<b>Total other income</b>		-	-
<b>Total income</b>		<b>744,886</b>	784,968
<b>Expenses</b>			
Employee expenses	4A	<b>477,677</b>	445,796
Capitation fees*		-	-
Affiliation fees		-	-
Administration expenses	4B	<b>232,886</b>	214,125
Grants or donations	4C	<b>2,104</b>	-
Depreciation and amortisation	4D	-	14,053
Legal costs	4E	<b>1,750</b>	13,591
Audit fees	13	<b>4,000</b>	2,300
Other expenses	4F	-	2,194
Finance costs	4G	<b>263</b>	178
<b>Total expenses</b>		<b>718,680</b>	692,237
<b>Profit (loss) for the year</b>		<b>26,206</b>	92,731
<b>Other comprehensive income</b>			
Items that will not be subsequently reclassified to profit or loss		-	-
<b>Total comprehensive income for the year</b>		<b>26,206</b>	92,731

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 2018*

	Notes	2018 \$	2017 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5A	<b>550,215</b>	538,601
Trade and other receivables	5B	<b>42,862</b>	29,981
Other current assets	5C	<b>19,020</b>	3,959
<b>Total current assets</b>		<b>612,097</b>	572,541
<b>Non-Current Assets</b>			
Plant and equipment	6A	-	-
Intangibles	6B	-	-
Other investments	6C	<b>473</b>	344
<b>Total non-current assets</b>		<b>473</b>	344
<b>Total assets</b>		<b>612,570</b>	572,885
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade payables	7A	<b>8,914</b>	8,608
Other payables	7B	<b>298,106</b>	296,327
Employee provisions	8A	<b>30,850</b>	26,939
<b>Total current liabilities</b>		<b>337,870</b>	331,874
<b>Non-Current Liabilities</b>			
Employee provisions	8A	<b>31,640</b>	24,157
<b>Total non-current liabilities</b>		<b>31,640</b>	24,157
<b>Total liabilities</b>		<b>369,510</b>	356,031
<b>Net assets</b>		<b>243,060</b>	216,854
<b>EQUITY</b>			
Retained earnings		<b>243,060</b>	216,854
<b>Total equity</b>		<b>243,060</b>	216,854

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

**VIPA**  
**STATEMENT OF CHANGES IN EQUITY**  
*for the period ended 30 June 2018*

	Notes	Retained earnings \$	Total equity \$
<b>Balance as at 1 July 2016</b>		124,123	124,123
Adjustment for errors		-	-
Adjustment for changes in accounting policies		-	-
Profit (loss) for the year		92,731	92,731
<b>Closing balance as at 30 June 2017</b>		<b>216,854</b>	<b>216,854</b>
Adjustment for errors		-	-
Adjustment for changes in accounting policies		-	-
Profit (loss) for the year		26,206	26,206
Transfer from retained earnings		-	-
<b>Closing balance as at 30 June 2018</b>		<b>243,060</b>	<b>243,060</b>

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

**VIPA**  
**CASH FLOW STATEMENT**  
*for the period ended 30 June 2018*

	Notes	2018 \$	2017 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Interest	10B	2,001	2,211
Other	10B	718,988	777,484
<b>Cash used</b>			
Employees	10B	(477,677)	(427,050)
Suppliers	10B	(241,601)	(236,729)
<b>Net cash from (used by) operating activities</b>	10A	<b>1,712</b>	<b>115,916</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash used</b>			
Purchase of plant and equipment		-	-
<b>Net cash from (used by) investing activities</b>		<b>-</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Repayment of Borrowings		9,902	27,858
<b>Net cash from (used by) financing activities</b>		<b>9,902</b>	<b>27,858</b>
<b>Net increase (decrease) in cash held</b>		<b>11,614</b>	<b>143,774</b>
Cash & cash equivalents at the beginning of the reporting period		538,601	394,827
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	5A	<b>550,215</b>	<b>538,601</b>

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.

#### ***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 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.

## 1.13 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.

### **1.14 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.

## **1.15 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.

## **1.16 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:

	<b>2018</b>	<b>2017</b>
Plant and equipment	<b>N/A</b>	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.



## 1.17 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:

	<b>2018</b>	<b>2017</b>
Intangibles	<b>N/A</b>	5 years

### ***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.

## 1.18 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.

## 1.19 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.

## 1.20 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.

## 1.21 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 15A.

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.

## **1.22 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 2018, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of VIPA.

	2018	2017
	\$	\$
<b>Note 3 Income</b>		
<b>Note 3A: Interest</b>		
Deposits	2,001	2,211
<b>Total interest</b>	<u>2,001</u>	<u>2,211</u>
<b>Note 4 Expenses</b>		
<b>Note 4A: Employee expenses*</b>		
<b>Holders of office:</b>		
Wages and salaries	-	-
Superannuation	7,980	-
Leave and other entitlements	2,434	2,432
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses holders of office</b>	<u>10,414</u>	<u>2,432</u>
<b>Employees other than office holders:</b>		
Wages and salaries	418,329	384,801
Superannuation	39,975	36,401
Leave and other entitlements	8,959	17,344
Separation and redundancies	-	-
Other employee expenses	-	4,818
<b>Subtotal employee expenses employees other than office holders</b>	<u>467,263</u>	<u>443,364</u>
<b>Total employee expenses</b>	<u>477,677</u>	<u>445,796</u>
<b>Note 4B: Administration expenses</b>		
Consideration to employers for payroll deductions*	-	-
Compulsory levies*	-	-
Fees/allowances - meeting and conferences*	-	-
Conference and meeting expenses*	6,980	5,168
Contractors/consultants	84,000	87,600
Information communications technology	22,996	25,262
Other expenses	112,106	86,359
<b>Subtotal administration expense</b>	<u>226,082</u>	<u>204,389</u>
Operating lease rentals:		
Minimum lease payments	6,804	9,736
<b>Total administration expenses</b>	<u>232,886</u>	<u>214,125</u>

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

	2018	2017
	\$	\$
<b>Note 4C: Grants or donations*</b>		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	104	-
Total paid that exceeded \$1,000	2,000	-
<b>Total grants or donations</b>	<b>2,104</b>	-

**Note 4D: Depreciation and amortisation**

Depreciation		
Property, plant and equipment	-	-
<b>Total depreciation</b>	-	-
Amortisation		
Intangibles	-	14,053
<b>Total amortisation</b>	-	14,053
<b>Total depreciation and amortisation</b>	-	14,053

**Note 4E: Legal costs\***

Litigation	-	11,150
Other legal matters	1,750	2,441
<b>Total legal costs</b>	<b>1,750</b>	<b>13,591</b>

**Note 4F: Other expenses**

Loss on disposal of non-current assets	-	2,194
Penalties - via RO Act or RO Regulations*	-	-
<b>Total other expenses</b>	-	2,194

**Note 4G: Finance costs**

Interest paid	263	178
<b>Total other expenses</b>	<b>263</b>	<b>178</b>

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

2018	2017
\$	\$

## Note 5 Current Assets

### Note 5A: Cash and Cash Equivalents

Cash at bank	550,215	538,601
<b>Total cash and cash equivalents</b>	<b>550,215</b>	<b>538,601</b>

### 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)

Trade receivables and accruals

**Total trade receivables and accruals**

#### Other receivables:

GST receivable

Security deposits

Loan – VIPA member

Sundry debtors

**Total other receivables**

**Total trade and other receivables (net)**

-	-
-	-
-	-
-	-
-	-
7,276	5,306
7,276	5,306

5,675	5,541
500	2,201
6,695	16,597
22,716	336
35,587	24,675
42,862	29,981

### Note 5C: Other Current Assets

Prepaid rent

Prepaid insurance

Other Prepayments

**Total other current assets**

2,106	1,191
2,519	2,768
14,395	-
19,020	3,959

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

	2018	2017
	\$	\$
<b>Note 6 Non-current Assets</b>		
<b>Note 6A: Plant and equipment</b>		
Plant and equipment:		
at cost	-	-
accumulated depreciation	-	-
<b>Total plant and equipment</b>	<u>-</u>	<u>-</u>

***Reconciliation of the Opening and Closing Balances of Plant and Equipment***

<b>As at 1 July</b>		
Gross book value	-	18,890
Accumulated depreciation and impairment	-	(16,969)
<b>Net book value 1 July</b>	<u>-</u>	<u>2,194</u>
Depreciation expense	-	-
Loss on disposal	-	(2,194)
<b>Net book value 30 June</b>	<u>-</u>	<u>-</u>
<b>Net book value as of 30 June represented by:</b>		
Gross book value	-	-
Accumulated depreciation and impairment	-	-
<b>Net book value 30 June</b>	<u>-</u>	<u>-</u>

**Note 6B: Intangibles**

Formation Expenses	-	-
<b>Total intangibles</b>	<u>-</u>	<u>-</u>

***Reconciliation of the Opening and Closing Balances of Intangibles***

<b>As at 1 July</b>		
Gross book value	<b>70,263</b>	70,263
<b>Net book value 1 July</b>	<u>-</u>	<u>14,053</u>
Amortisation	-	(14,053)
<b>Net book value 30 June</b>	<u>-</u>	<u>-</u>
<b>Net book value as of 30 June represented by:</b>		
Gross book value	<b>70,263</b>	70,263
Accumulated amortisation and impairment	<b>(70,263)</b>	(70,263)
<b>Net book value 30 June</b>	<u>-</u>	<u>-</u>

**Note 6C: Other Investments**

Shares in Listed Companies	<b>473</b>	344
<b>Total other investments</b>	<u><b>473</b></u>	<u>344</u>

2018	2017
\$	\$

## Note 7 Current Liabilities

### Note 7A: Trade payables

Trade creditors and accruals	8,914	8,608
<b>Subtotal trade creditors</b>	<b>8,914</b>	<b>8,608</b>
<b>Payables to other reporting unit[s]*</b>	<b>-</b>	<b>-</b>
<b>Subtotal payables to other reporting unit[s]</b>	<b>-</b>	<b>-</b>
<b>Total trade payables</b>	<b>8,914</b>	<b>8,608</b>

Settlement is usually made within 30 days.

### Note 7B: Other payables

Wages and salaries	-	-
Superannuation	13,970	10,619
Consideration to employers for payroll deductions*	-	-
Credit card	793	3,889
Unpaid expense claims	-	-
Legal costs*		
Litigation	-	-
Other legal matters	-	-
Unearned revenue	240,770	238,827
GST payable	32,844	35,900
PAYG withholding payable	9,730	7,092
<b>Total other payables</b>	<b>298,106</b>	<b>296,327</b>

Total other payables are expected to be settled in:

No more than 12 months	298,106	296,327
More than 12 months	-	-
<b>Total other payables</b>	<b>298,106</b>	<b>296,327</b>

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



	2018	2017
	\$	\$
<b>Note 8 Provisions</b>		
<b>Note 8A: Employee Provisions*</b>		
<b>Office Holders:</b>		
Annual leave	-	-
Long service leave	13,810	11,376
Separations and redundancies	-	-
Other	-	-
<b><i>Subtotal employee provisions—office holders</i></b>	<b>13,810</b>	<b>11,376</b>
<b>Employees other than office holders:</b>		
Annual leave	30,850	26,939
Long service leave	17,829	12,781
Separations and redundancies	-	-
Other	-	-
<b><i>Subtotal employee provisions—employees other than office holders</i></b>	<b>48,679</b>	<b>39,720</b>
<b>Total employee provisions</b>	<b>62,489</b>	<b>51,096</b>
Current	30,850	26,939
Non Current	31,639	24,157
<b><i>Total employee provisions</i></b>	<b>62,489</b>	<b>51,096</b>

## 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.

<b>2018</b>	<b>2017</b>
\$	\$

## 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	<b>550,215</b>	538,601
Balance sheet	<b>550,215</b>	538,601
<b>Difference</b>	<b>-</b>	<b>-</b>

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

Profit/(deficit) for the year	<b>26,206</b>	92,731
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#### Adjustments for non-cash items

Depreciation/amortisation	-	14,053
Net write-down of non-financial assets	-	-
Fair value movements in investments	<b>(129)</b>	97
Loss on disposal of non-current assets	-	2,194

#### Changes in assets/liabilities

(Increase)/decrease in net receivables	<b>(26,457)</b>	(11,431)
(Increase)/decrease in prepayments	<b>(15,061)</b>	(3,134)
Increase/(decrease) in supplier payables	<b>5,760</b>	1,630
Increase/(decrease) in other payables	-	-
Increase/(decrease) in employee provisions	<b>11,392</b>	19,776
Increase/(decrease) in other provisions	-	-
<b>Net cash from (used by) operating activities</b>	<b>1,712</b>	115,916

### Note 10B: Cash flow information\*

Cash inflows	<b>720,990</b>	779,695
<b>Total cash inflows</b>	<b>720,990</b>	779,695
Cash outflows	<b>719,278</b>	663,779
<b>Total cash outflows</b>	<b>719,278</b>	663,779

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

<b>2018</b>	<b>2017</b>
<b>\$</b>	<b>\$</b>

## **Note 11 Contingent Liabilities, Assets and Commitments**

### **Note 11A: Commitments and Contingencies**

#### **Operating lease commitments—as lessee**

The lease has a 12 month fixed term starting August 2018 ending August 2019.  
Minimum lease repayments are \$875 per month (ex GST).

Future minimum rentals payable under non-cancellable operating leases as at 30 June are:

Within one year	<b>9,625</b>	6,804
After one year but not more than five years	-	-
More than five years	-	-
	<b>9,625</b>	<b>6,804</b>

Gross amount of minimum lease payments:

Within one year	<b>9,625</b>	6,804
After one year but not more than five years	-	-
More than five years	-	-
<b>Total gross amount of minimum lease payments</b>	<b>9,625</b>	<b>6,804</b>

Present value of minimum lease payments:

Within one year	<b>9,625</b>	6,804
After one year but not more than five years	-	-
More than five years	-	-
<b>Total present value of minimum lease payments</b>	<b>9,625</b>	<b>6,804</b>

## Note 12 Related Party Disclosures

### Note 12A: 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.

#### Expenses paid to Salinda Developments Pty Ltd (John Stewart Lyons) includes the following:

Consulting fees	<b>84,000</b>	80,000
Superannuation	<b>7,980</b>	7,600

#### Amounts owed to John Stewart Lyons include the following:

Superannuation payable	<b>1,995</b>	1,900
Accrued long service leave	<b>14,774</b>	11,377

#### 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 2018, VIPA has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2017: \$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.

### Note 12B: Key Management Personnel Remuneration for the Reporting Period

#### Short-term employee benefits

Salary	<b>138,410</b>	133,539
Consulting fees	<b>84,000</b>	80,000
Annual leave paid	<b>11,303</b>	3,769
Personal leave paid	<b>2,826</b>	538

#### Total short-term employee benefits

<b>236,539</b>	217,846
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#### Post-employment benefits:

Superannuation paid	<b>16,181</b>	15,215
Superannuation payable	<b>6,290</b>	5,480

#### Total post-employment benefits

<b>22,471</b>	20,695
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#### Other long-term benefits:

#### Total other long-term benefits

<b>3,791</b>	3,444
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#### Termination benefits

#### Total termination benefits

-	-
<b>-</b>	-

	2018	2017
	\$	\$

**Note 12C: 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 13 Remuneration of Auditors**

**Value of the services provided**

Financial statement audit services

	4,000	2,300
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Other services

	-	-
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**Total remuneration of auditors**

	4,000	2,300
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<b>2018</b>	<b>2017</b>
\$	\$

## Note 14 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 14A: Categories of Financial Instruments

### Financial Assets

Fair value through profit or loss:		
Cash and cash equivalents	<b>550,215</b>	538,601
Trade and other receivables	<b>42,052</b>	29,981
Prepayments	<b>19,020</b>	3,959
Shares in Listed Companies	<b>473</b>	344
<b>Total</b>	<b>611,760</b>	572,885
<b>Carrying amount of financial assets</b>	<b>611,760</b>	572,885

### Financial Liabilities

Fair value through profit or loss:		
Trade and other payables	<b>306,211</b>	304,935
<b>Total</b>	<b>306,211</b>	304,935
<b>Carrying amount of financial liabilities</b>	<b>306,211</b>	304,935

<b>2018</b>	<b>2017</b>
\$	\$

**Note 14B: Net Income and Expense from Financial Assets**

**Total held for trading**

Designated as fair value through profit and loss:

Change in fair value	<b>129</b>	(97)
<b>Total designated as fair value through profit and loss</b>	<b>129</b>	(97)
<b>Net gain/(loss) at fair value through profit and loss</b>	<b>129</b>	(97)
<b>Net gain/(loss) from financial assets</b>	<b>129</b>	(97)

The net income/expense from financial assets not at fair value from profit and loss is \$Nil (2017: \$Nil).

<b>2018</b>	<b>2017</b>
\$	\$

**Note 14C: 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	<b>42,052</b>	29,981
<b>Total</b>	<b>42,052</b>	29,981

**Financial liabilities**

Trade and other payables	<b>306,211</b>	304,935
<b>Total</b>	<b>306,211</b>	304,935

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 2018 \$	Past due or impaired 2018 \$	Not Past Due Nor Impaired 2017 \$	Past due or impaired 2017 \$
Trade and other receivables	<b>42,052</b>	-	<b>29,981</b>	-
<b>Total</b>	<b>42,052</b>	-	<b>29,981</b>	-

**Note 14D: Credit Risk (continued)****Ageing of financial assets that were past due but not impaired for 2018**

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

**Ageing of financial assets that were past due but not impaired for 2017**

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade and other receivables	524	-	-	-	524
Prepayments	-	-	-	-	-
<b>Total</b>	524	-	-	-	524

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

**Note 14E: 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 2018**

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade and other payables	-	8,914	-	-	-	8,914
<b>Total</b>	-	8,914	-	-	-	8,914

**Contractual maturities for financial liabilities 2017**

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade and other payables	-	8,608	-	-	-	8,608
<b>Total</b>	-	8,608	-	-	-	8,608

**Note 14F: Market Risk**

VIPA does not have any material exposure to market risk.

**Note 15 Fair Value Measurement**



## Note 15A: 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 2018 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 2018 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:

	<b>Carrying amount 2018 \$</b>	<b>Fair value 2018 \$</b>	<b>Carrying amount 2017 \$</b>	<b>Fair value 2017 \$</b>
<b>Financial Assets</b>				
Cash and cash equivalents	<b>550,215</b>	<b>550,215</b>	538,601	538,601
Trade and other receivables	<b>42,052</b>	<b>42,052</b>	29,981	29,981
Prepayments	<b>19,020</b>	<b>19,020</b>	3,959	3,959
Shares in listed Companies	<b>473</b>	<b>473</b>	344	344
<b>Total</b>	<b>611,760</b>	<b>611,760</b>	572,885	572,885
<b>Financial Liabilities</b>				
Trade and other payables	<b>306,211</b>	<b>306,211</b>	304,935	304,935
<b>Total</b>	<b>306,211</b>	<b>306,211</b>	304,935	304,935

## Fair value hierarchy – 30 June 2018

	Date of valuation	Level 1	Level 2	Level 3
<b>Assets measured at fair value</b>		\$	\$	\$
Shares in listed Companies	30 June 2018	473	-	-
<b>Total</b>		<b>473</b>	<b>-</b>	<b>-</b>

## Note 16 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).