



6 January 2020

Adrian Moore
Secretary
VIPA

Dear Sir

Re: – VIPA - financial report for year ending 30 June 2019 (FR2019/236)

I refer to the financial report of VIPA. The documents were lodged with the Registered Organisations Commission (**ROC**) on 28 November 2019.

The financial report has 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 2020 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 when preparing the next report.

Audit scope

Paragraph 24(c) of Australian Auditing Standard *ASA 700 Forming an Opinion and Reporting on a Financial Report* requires each document comprising the general purpose financial report to be identified by title in the auditor's report.

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, and, if one is prepared, the officer's declaration statement. The general purpose financial report included both these documents but the auditor's report did not refer to these.

Difference in figure reporting in LGD statement and financial report

As the reporting unit has advised, the nil figure for donations expense exceeding \$1,000 in the financial report was incorrect due to the classification of the correct amount under Administration expenses. The respective 2019 comparative figures should be adjusted in 2020 report.

Officer's declaration statement – to include nil activity disclosures not elsewhere disclosed

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 an officer's declaration statement. The officer's declaration statement included several nil activity disclosures for which there was already an equivalent form of disclosure in the body of the notes (see annotated attachment). Please note that nil activities only need to be disclosed once.

Nil activity disclosures – other

The officer declaration statement included several nil activity disclosures which were inconsistent with information disclosed elsewhere within the notes or financial statements (see annotated attachment).

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 questions about the above or the reporting requirements, please do not hesitate to contact me by email at stephen.kellett@roc.gov.au.

Yours faithfully



Stephen Kellett
Financial Reporting
Registered Organisations Commission



Financial Statements 2018–19

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VIPA

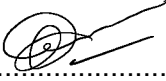
s.268 Fair Work (Registered Organisations) Act 2009

Certificate by prescribed designated officer

Certificate for the year ended 30 June 2019

I John Lyons being the President of the VIPA certify:

- that the documents lodged herewith are copies of the full report for VIPA for the period ended 30 June 2019 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 30 October 2019; and
- that the full report was presented to a general meeting of members of the reporting unit on 27 November 2019 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: 28 November 2019

**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 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2019, 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 2019, 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.

/ GEELONG

101 West Fyans Street
PO Box 386
Geelong VIC 3220
PHONE 03 5221 6399

/ TORQUAY

6 Walker Street
PO Box 125
Torquay VIC 3228
PHONE 03 5261 2029

/ DIRECTORS

Stephen Wight CA
Stephen Kirtley CA

Davidsons Assurance Services Pty Ltd
ACN 123 098 662 · ABN 77 123 098 662
info@davidsons.com.au

davidsons.com.au



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 25th day of October 2019

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


Report required under subsection 255(2A)

for the year ended 30 June 2019

The committee of management presents the expenditure report¹ as required under subsection 255(2A) on the reporting unit for the year ended 30 June 2019.

Descriptive form

Categories of expenditures	2019 (\$)	2018 (\$)
Remuneration and other employment-related costs and expenses – employees	543,622	477,677
Advertising	-	-
Operating costs	291,418	239,253
Donations to political parties	-	-
Legal costs	19,802	1,750

Signature of designated officer: 

Name and title of designated officer: John Lyon President.....

Dated: 24 October 2019

Operating report

for the year ended 30 June 2019

The committee of management presents its operating report on the reporting unit for the year ended 30 June 2019.

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

VIPA's principal 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.

Significant Change	Nature of Change
<i>Increase in Membership Subscriptions for the year ended 30 June 2019</i>	<i>Membership Subscriptions increased by over 12%.</i>
<i>Increase in Employee Expenses</i>	<i>There was a 14% increase in Employee Expenses for the year ended 30 June 2019.</i>
<i>Increase in Administration Expenses</i>	<i>There was a 20% increase in Administration Expenses for the year ended 30 June 2019.</i>
<i>Increase in Profit</i>	<i>An increase in profit principally as a result of the following factors:</i> <ul style="list-style-type: none"> - <i>Increase in Membership subscriptions</i> - <i>Increase in Other Revenue.</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 where being a member or officer of a registered organisation is a criterion for them holding such position

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 503.

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 5 (2018: 5)

Names of committee of management members and period positions held during the financial year

John Lyons	President	1 July 2018 – 30 June 2019
Mathew Purton	Vice President	1 July 2018 – 30 June 2019
Shane Murdock	Treasurer	1 July 2018 – 30 June 2019
Adrian Moore	Secretary	1 July 2018 – 30 June 2019
Adam Fitch	Committee Member	1 July 2018 – 30 June 2019
Sandor Antal	Committee Member	1 July 2018 – 30 June 2019
Mark Moore	Committee Member	1 July 2018 – 30 June 2019
Warren Brewster	Committee Member	16 August 2018 – 30 June 2019
Cameron Macdonald	Committee Member	16 August 2018 – 30 June 2019
Matthew Bester	Committee Member	16 August 2018 – 30 June 2019
Eivind Eikli	Committee Member	16 August 2018 – 30 June 2019



Signature of designated officer:

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

Dated: 24 October 2019

VIPA

Committee of management statement

for the year ended 30 June 2019

On 22 / 10 / 2019 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 2019:

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 Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; 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.

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: 22 October 2019

Statement of comprehensive income

for the year ended 30 June 2019

	Notes	2019 \$	2018 \$
Revenue			
Membership subscription*		814,084	723,040
Capitation fees and other revenue from another reporting unit*	3A	-	-
Investment income	3B	1,721	2,001
Other revenue		77,842	19,845
Total revenue		893,647	744,886
Other Income			
Grants and/or donations*	3C	-	-
Revenue from recovery of wages activity*		-	-
Total other income		-	-
Total income		893,647	744,886
Expenses			
Employee expenses	4A	543,622	477,677
Capitation fees and other expense to another reporting unit*	4B	-	-
Administration expenses	4C	279,601	232,886
Grants or donations	4D	2	2,104
Depreciation and amortisation	4E	453	-
Finance costs	4F	167	263
Legal costs	4G	19,802	1,750
Audit fees	12	4,500	4,000
Other expenses	4H	6,695	-
Total expenses		854,842	718,680
Surplus (deficit) for the year		38,805	26,206
Other comprehensive income			
Items that will be subsequently reclassified to profit or loss		-	-
Items that will not be subsequently reclassified to profit or loss		-	-
Total comprehensive income for the year		38,805	26,206

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

*As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

Statement of financial position

as at 30 June 2019

	Notes	2019 \$	2018 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	572,618	550,215
Trade and other receivables*	5B	179,994	42,862
Other current assets	5C	4,388	19,020
Total current assets		757,000	612,097
Non-current Assets			
Plant and equipment	6A	1,447	-
Intangibles	6B	-	-
Other financial assets	6C	366	473
Total non-current assets		1,813	473
Total assets		758,813	612,570
LIABILITIES			
Current Liabilities			
Trade payables*	7A	2,139	8,914
Other payables*	7B	371,838	298,106
Employee provisions	8A	74,678	30,850
Total current liabilities		448,655	337,870
Non-current Liabilities			
Employee provisions	8A	28,293	31,640
Total non-current liabilities		28,293	31,640
Total liabilities		476,948	395,510
Net assets		281,865	243,060
EQUITY			
Retained earnings (accumulated deficit)		281,865	243,060
Total equity		281,865	243,060

The above statement should be read in conjunction with the notes.*As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

Statement of changes in equity

for the year ended 30 June 2019

	Notes	Retained earnings \$	Total equity \$
Balance as at 1 July 2017		216,854	216,854
Adjustment for errors		-	-
Adjustment for changes in accounting policies		-	-
Surplus / (deficit)		26,206	26,206
Other comprehensive income		-	-
Transfer from retained earnings		-	-
Closing balance as at 30 June 2018		243,060	243,060
Adjustment for errors		-	-
Surplus / (deficit)		38,805	38,805
Other comprehensive income		-	-
Transfer from retained earnings		-	-
Closing balance as at 30 June 2019		281,865	281,865

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

Statement of cash flows

for the year ended 30 June 2019

		2019	2018
		\$	\$
	Notes		
OPERATING ACTIVITIES			
Cash received			
Interest		1,721	2,001
Other		896,277	718,988
Cash used			
Employees		(517,045)	(477,677)
Suppliers		(282,650)	(241,601)
Net cash from (used by) operating activities	9A	98,303	1,712
INVESTING ACTIVITIES			
Cash received			
Other		-	-
Cash used			
Purchase of plant and equipment		(1,900)	-
Net cash from (used by) investing activities		(1,900)	-
FINANCING ACTIVITIES			
Cash received			
Contributed equity		-	-
Other		-	-
Cash used			
Repayment of borrowings		-	9,902
Amounts repaid or advanced to related parties		(74,000)	-
Net cash from (used by) financing activities		(74,000)	9,902
Net increase (decrease) in cash held		22,403	11,614
Cash & cash equivalents at the beginning of the reporting period		550,215	538,601
Cash & cash equivalents at the end of the reporting period	5A	572,618	550,215

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 accounting assumptions or estimates that have been identified that have a significant risk of causing a material adjustment to the carrying amounts 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 are applicable to future reporting periods that are expected to have a future financial impact on VIPA include:

AASB 1058 Income of Not-for-Profit Entities (AASB 1058) and AASB 15 Revenue from Contracts with Customers (AASB 15)

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities in conjunction with AASB 15. AASB 1058 and AASB 15 supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 *Contributions*.

For NFP entities, both AASB 1058 and 15 will commence from financial years beginning on or after 1 January 2019. Either a full retrospective application or a modified retrospective application is required for AASB 15. VIPA plans to adopt AASB 15 on the required effective date of using full retrospective method.

During the financial year ended 30 June 2019, VIPA performed a preliminary assessment of AASB 1058 and 15.

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 loss allowance due to expected credit losses at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

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. The 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 statement of financial position.

1.12 Financial instruments

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

1.13 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (**OCI**), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the entity's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the [reporting unit] initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (**SPPI**) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The entities business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the entity commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised cost

- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

Financial assets at fair value through profit or loss (including designated)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The entity has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - a) the entity has transferred substantially all the risks and rewards of the asset, or
 - b) the entity has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the entity has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the entity continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment

(i) Trade receivables

For trade receivables that do not have a significant financing component, the entity applies a simplified approach in calculating expected credit losses (**ECLs**) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the entity does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The entity has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(ii) Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the entity recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the entity expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).
- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The entity considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the entity may also consider a financial asset to be in default when internal or external information indicates that the entity is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

1.14 Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The entities financial liabilities include trade and other payables.

Subsequent measurement

Financial liabilities at fair value through profit or loss (including designated)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied.

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts 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:

	2019	2018
Plant and equipment	3 to 8 years	N/A

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 the entities intangible assets are:

	2019	2018
Intangibles	N/A	N/A

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 of 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 statement of cash flows 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 assets as at fair value through the profit and loss, financial assets at fair value through OCI, 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 the entity. 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.

The entity 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, the entity 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, the entity 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 2019, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of VIPA.

Note 3 Income

	2019	2018
	\$	\$
Note 3A: Capitation fees and other revenue from another reporting unit*		
Capitation fees:		
Subtotal capitation fees	-	-
Other revenue from another reporting unit:		
Subtotal other revenue from another reporting unit	-	-
Total capitation fees and another revenue from other reporting unit	-	-

* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

	2019	2018
	\$	\$
Note 3B: Investment income		
Interest		
Deposits	1,721	2,001
Dividends	-	-
Total investment income	1,721	2,001

Note 3C: Grants or donations *

Grants	-	-
Donations	-	-
Total grants or donations	-	-

Note 4 Expenses

Note 4A: Employee expenses*

Holders of office:

Wages and salaries	-	-
Superannuation	8,461	7,980
Leave and other entitlements	3,962	2,434
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	12,423	10,414

Employees other than office holders:

Wages and salaries	451,762	418,329
Superannuation	42,917	39,975
Leave and other entitlements	36,520	8,959
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses employees other than office holders	531,199	467,263
Total employee expenses	543,622	477,677

* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

2019	2018
\$	\$

Note 4B: Capitation fees and other expense to another reporting unit*

Capitation fees

Subtotal capitation fees	-	-
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Other expense to another reporting unit

Subtotal other expense to another reporting unit	-	-
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Total capitation fees and other expense to another reporting unit	-	-
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Note 4C: Administration expenses

Total paid to employers for payroll deductions of membership subscriptions*	-	-
Compulsory levies*	-	-
Fees/allowances - meeting and conferences*	-	-
Conference and meeting expenses*	16,548	6,980
Contractors/consultants	89,061	84,000
Information communications technology	19,882	22,996
Other	154,110	112,106
Subtotal administration expense	279,601	226,082

Operating lease rentals:

Minimum lease payments	-	6,804
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Total administration expenses	279,601	232,886
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Note 4D: Grants or donations*

Grants:

Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-

Donations:

Total expensed that were \$1,000 or less	2	104
Total expensed that exceeded \$1,000	-	2,000

Total grants or donations	2	2,104
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* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

	2019	2018
	\$	\$

Note 4E: Depreciation and amortisation

Depreciation		
Property, plant and equipment	453	-
Total depreciation	453	-
Amortisation		
Total amortisation	-	-
Total depreciation and amortisation	453	-

Note 4F: Finance costs

Overdrafts/loans	167	263
Total finance costs	167	263

Note 4G: Legal costs*

Litigation	-	-
Other legal costs	19,802	1,750
Total legal costs	19,802	1,750

Note 4H: Other expenses

Bad Debts	6,695	-
Penalties - via RO Act or the <i>Fair Work Act 2009</i> *	-	-
Total other expenses	6,695	-

* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

2019	2018
\$	\$

Note 5 Current Assets

Note 5A: Cash and cash equivalents

Cash at bank	572,618	550,215
Total cash and cash equivalents	572,618	550,215

Note 5B: Trade and other receivables

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

Less allowance for expected credit losses*		
Total allowance for expected credit losses	-	-
Receivable from other reporting unit[s] (net)	-	-

Trade receivables and accruals	92,480	7,276
Total trade receivables and accruals	92,480	7,276

Other receivables:

GST receivable	618	5,675
Security deposits	-	500
Advance – VIPA Financial Services Pty Ltd	74,000	-
Loan – VIPA member	-	6,695
Sundry debtors	12,896	22,716
Total other receivables	87,514	35,587
Total trade and other receivables (net)	179,994	42,862

Note 5C: Other current assets

Prepaid Rent	624	2,106
Prepaid Insurance	3,764	2,519
Other Prepayments	-	14,395
Total other current assets	4,388	19,020

* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

2019	2018
\$	\$

Note 6 Non-current Assets

Note 6A: Plant and equipment

Plant and equipment:		
at cost	1,900	-
accumulated depreciation	(453)	-
Total plant and equipment	1,447	-

Reconciliation of opening and closing balances of plant and equipment

As at 1 July		
Gross book value	-	-
Accumulated depreciation and impairment	-	-
Net book value 1 July	-	-
Additions:		
By purchase	1,900	-
Impairments	-	-
Depreciation expense	(453)	-
Disposals:		
Other	-	-
Net book value 30 June	1,447	-
Net book value as of 30 June represented by:		
Gross book value	1,900	-
Accumulated depreciation and impairment	(453)	-
Net book value 30 June	1,447	-

* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

	2019	2018
	\$	\$
Note 6B: Intangibles		
Formation Costs	-	-
Total intangibles	-	-

Reconciliation of opening and closing balances of intangibles

As at 1 July		
Gross book value	-	70,263
Accumulated amortisation and impairment	-	(70,263)
Net book value 1 July	-	-
Additions:		
By purchase	-	-
From acquisition of entities (including restructuring)	-	-
Impairments	-	-
Amortisation	-	-
Other movements [<i>give details below</i>]	-	-
Disposals:		
From disposal of entities (including restructuring)	-	-
Other	-	-
Net book value 30 June	-	-
Net book value as of 30 June represented by:		
Gross book value	-	70,263
Accumulated amortisation and impairment	-	(70,263)
Net book value 30 June	-	-

Note 6C: Other financial assets

Financial assets at fair value through profit or loss

Quoted equity shares	366	473
Total other financial assets	366	473

* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

2019	2018
\$	\$

Note 7 Current Liabilities

Note 7A: Trade payables

Trade creditors and accruals	2,139	8,914
Subtotal trade creditors	2,139	8,914
<hr/>		
Payables to other reporting unit[s]*		
Subtotal payables to other reporting unit[s]	-	-
<hr/>		
Total trade payables	2,139	8,914

Settlement is usually made within 30 days.

Note 7B: Other payables

Wages and salaries	12	-
Superannuation	13,098	13,970
Payable to employers for making payroll deductions of membership subscriptions*	-	-
Legal costs*		
Litigation	-	-
Other legal costs	-	-
Prepayments received/unearned revenue	306,928	240,770
GST payable	40,865	32,884
Credit Card	1,351	793
PAYG withholding payable	9,584	9,730
Total other payables	371,838	298,106

Total other payables are expected to be settled in:

No more than 12 months	371,838	298,106
More than 12 months	-	-
Total other payables	371,838	298,106

* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

2019	2018
\$	\$

Note 8 Provisions

Note 8A: Employee provisions*

Office holders:

Annual leave	-	-
Long service leave	18,935	13,810
Separations and redundancies	-	-

<i>Subtotal employee provisions—office holders</i>	18,935	13,810
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Employees other than office holders:

Annual leave	55,743	30,850
Long service leave	28,293	17,829
Separations and redundancies	-	-

<i>Subtotal employee provisions—employees other than office holders</i>	84,036	48,679
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Total employee provisions	102,971	62,489
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Current	74,678	30,850
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Non-current	28,293	31,639
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<i>Total employee provisions</i>	102,971	62,489
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* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

2019	2018
\$	\$

Note 9 Cash Flow

Note 9A: 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	572,618	550,215
Balance sheet	572,618	550,215
Difference	-	-

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

Profit/(deficit) for the year	38,804	26,206
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Adjustments for non-cash items

Depreciation	453	-
Bad Debts written off	6,695	-
Fair value movements in investment property	108	(129)

Changes in assets/liabilities

(Increase)/decrease in net receivables	(70,637)	(26,457)
(Increase)/decrease in prepayments	14,631	(15,061)
Increase/(decrease) in supplier payables	67,766	5,760
Increase/(decrease) in employee provisions	40,483	11,392
Increase/(decrease) in other provisions	-	-
Net cash from (used by) operating activities	98,303	1,712

Note 9B: Cash flow information*

Cash inflows	897,998	720,990
Total cash inflows	897,998	720,990
Cash outflows	875,595	719,278
Total cash outflows	875,595	719,278

* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

2019	2018
\$	\$

Note 10 Contingent Liabilities, Assets and Commitments

Note 10A: Commitments and contingencies

Operating lease commitments—as lessee

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

Within one year	-	9,625
After one year but not more than five years	-	-
More than five years	-	-
	-	9,625

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.

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

Consulting fees	89,061	84,000
Superannuation	8,461	7,980

Amounts owed to John Stewart Lyons include the following:

Superannuation payable	2,191	1,995
Accrued long service leave	18,935	14,774

Amounts received from VIPA Financial Services Pty Ltd

20,000	-
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Amounts receivable from VIPA Financial Services Pty Ltd

74,000	-
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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 2019, VIPA has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2018: \$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.

2019	2018
\$	\$

Note 11B: Key management personnel remuneration for the reporting period

Short-term employee benefits

Salary	151,447	138,410
Consulting fees	89,061	84,000
Annual leave paid	2,403	11,303
Personal leave paid	5,145	2,826
Total short-term employee benefits	248,056	236,539

Post-employment benefits:

Superannuation	15,105	16,181
Superannuation payable	3,717	6,290
Total post-employment benefits	18,822	22,471

Other long-term benefits:

Long-service leave	3,962	3,791
Total other long-term benefits	3,962	3,791

Termination benefits

Total Termination benefits	-	-
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Note 11C: Transactions with key management personnel and their close family members

Loans to/from key management personnel	-	-
Other transactions with key management personnel	-	-

Note 12 Remuneration of Auditors

Value of the services provided

Financial statement audit services	4,500	4,000
Other services	-	-
Total remuneration of auditors	4,500	4,000

[No other services were provided by the auditors of the financial statements.]

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	572,618	550,215
Trade and other receivables	179,994	42,052
Prepayments	4,389	19,020
Shares in listed companies	366	473
Total	757,367	611,760
Carrying amount of financial assets	757,367	611,760

Financial liabilities

Fair value through profit or loss:		
Trade and other payables	373,977	306,211
Total	373,977	306,211
Carrying amount of financial liabilities	373,977	306,211

	2019 \$	2018 \$
Note 13B: Net income and expense from financial assets		
Financial assets at fair value through profit and loss		
Total held for trading	-	-
Designated as fair value through profit and loss:		
Change in fair value	(107)	129
Interest revenue	-	-
Dividend revenue	-	-
Exchange gains/(loss)	-	-
Total designated as fair value through profit and loss	(107)	129
Net gain/(loss) on financial assets at fair value through profit and loss	(107)	129
Sub-total net income/(expense) from financial assets	(107)	129

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	179,994	42,052
Total	179,994	42,052
Financial liabilities		
Trade and other payables	373,977	306,211
Total	373,977	306,211

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

Note 13D: 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 2019

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade and other payables	-	2,139	-	-	-	2,139
Total	-	2,139	-	-	-	2,139

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
Total	-	8,914	-	-	-	8,914

Note 13E: 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 2019 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 VIPA 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 2019 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 financial assets and liabilities:

	Carrying amount 2019 \$	Fair value 2019 \$	Carrying amount 2018 \$	Fair value 2018 \$
Financial Assets				
Cash and cash equivalents	572,618	572,618	550,215	550,215
Trade and other receivables	179,994	179,994	42,052	42,052
Prepayments	4,389	4,389	19,020	19,020
Shares in listed Companies	366	366	473	473
Total	757,367	757,367	611,760	611,760
Financial Liabilities				
Trade and other payables	373,977	373,977	306,211	306,211
Total	373,977	373,977	306,211	306,211

Fair value hierarchy – 30 June 2019

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		\$	\$	\$
Shares in listed Companies	30 June 2019	366	-	-
Total		366	-	-

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 Commissioner:

- 1) A member of a reporting unit, or the Commissioner, 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).

Officer declaration statement

I, John Lyons, being the President of VIPA, declare that the following activities did not occur during the reporting period ending 30 June 2019

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- 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
- receive capitation fees or any other revenue amount from another reporting unit
- receive donations or grants
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay capitation fees or any other expense to another reporting unit
- pay compulsory levies
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay a donation that was \$1,000 or less
- pay a donation that exceeded \$1,000
- pay wages and salaries to holders of office
- pay leave and other entitlements to holders of office
- pay separation and redundancy to holders of office
- pay other employee expenses to holders of office
- pay separation and redundancy to employees (other than holders of office)
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a receivable with other reporting unit(s)
- have a payable with other reporting unit(s)
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- have an annual leave provision in respect of holders of office

- have a separation and redundancy provision in respect of holders of office
- have other employee provisions in respect of holders of office
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- provide cash flows to another reporting unit and/or controlled entity
- receive cash flows from another reporting units and/or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit



Signed by the officer:

Dated: 24 October 2019