



18 December 2020

John Lyons  
President  
VIPA

Sent via email: [Warwick.Renton@vipa.asn.au](mailto:Warwick.Renton@vipa.asn.au)  
CC: [stephenk@davidsons.com.au](mailto:stephenk@davidsons.com.au)

Dear John Lyons,

**VIPA  
Financial Report for the year ended 30 June 2020 – (FR2020/222)**

I acknowledge receipt of the financial report for the year ended 30 June 2020 for the VIPA (**the reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 25 November 2020. I also acknowledge receipt of the amended designated officer's certificate which was lodged with the ROC on 7 December 2020.

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 2021 may be subject to an advanced compliance review.

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

**Non-compliance with previous requests**

While we filed last year's financial report, we raised certain issues for the reporting unit to address in the preparation of future financial reports. On 3 December 2020, the ROC wrote to the reporting unit that the following same errors have appeared in the current report:

- Audit scope;
- Officer's declaration statement – to include nil activity disclosures not elsewhere disclosed;
- Nil activity disclosures – other.

The ROC aims to assist reporting units comply with their obligations under the RO Act and reporting guidelines by providing advice about the errors identified in financial reports. On 11

December 2020, the reporting unit advised the ROC that these issues would be addressed in next year's financial report.

### **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 (03) 9603 0764 or via email at [kylie.ngo@roc.gov.au](mailto:kylie.ngo@roc.gov.au).

Yours sincerely,



**Kylie Ngo**  
**Registered Organisations Commission**



## Financial Statements 2019/20

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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 2020

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 2020 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 .....2 November 2020.....; and
- that the full report was presented to a general meeting of members of the reporting unit on 25 November 2020 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: 7 December 2020 .....

## 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 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2020, 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 2020, 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.

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## **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 9<sup>th</sup> day of October 2020

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 2020

The committee of management presents the expenditure report<sup>1</sup> as required under subsection 255(2A) on the reporting unit for the year ended 30 June 2020.

Descriptive form

Categories of expenditures	2020 (\$)	2019 (\$)
Remuneration and other employment-related costs and expenses – employees	523,898	543,622
Advertising	-	-
Operating costs	<b>274,594</b>	291,418
Donations to political parties	-	-
Legal costs	32,400	19,802

Signature of designated officer:  .....

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

Dated: 6 October 2020 .....



# Operating report

for the year ended 30 June 2020

The committee of management presents its operating report on the reporting unit for the year ended 30 June 2020.

## 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.*

<b>Significant Change</b>	<b>Nature of Change</b>
<i>Increase in Grant income</i>	<p><i>VIPA received the following government grants to assist with cash flow during Covid 19:</i></p> <ul style="list-style-type: none"> <li>- <i>Jobkeeper (Federal Government) \$30,000</i></li> <li>- <i>Cash Flow Boost (Federal Government) \$50,000</i></li> <li>- <i>Business Support Fund (Victorian Government) \$10,000</i></li> </ul>
<i>Increase in Legal Costs</i>	<i>There was \$32,400 of legal expenses for 2020 which is increase of 64% on prior year costs.</i>
<i>Increase in Profit</i>	<p><i>An increase in profit principally as a result of:</i></p> <ul style="list-style-type: none"> <li>- <i>Grant income received</i></li> <li>- <i>Reduction in other expenses for the year</i></li> <li>- <i>No bad debts for 2020</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 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 435.*

## 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 (2019: 5)*

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

John Lyons	President	1 July 2019 to 30 June 2020
Cameron Macdonald	Committee Member	1 July 2019 to 22 November 2019
Cameron Macdonald	Vice President	22 November 2019 to 30 June 2020
Shane Murdock	Treasurer	1 July 2019 to 30 June 2020
Mathew Purton	Vice President	1 July 2019 to 22 November 2019
Mathew Purton	Secretary	22 November 2019 to 30 June 2020
Adrian Moore	Secretary	1 July 2019 to 22 November 2019
Adrian Moore	Committee Member	22 November 2019 to 30 June 2020
Matthew Bester	Committee Member	1 July 2019 to 30 June 2020
Eivind Eikli	Committee Member	1 July 2019 to 30 June 2020
Sandor Antal	Committee Member	1 July 2019 to 9 April 2020
Warren Brewster	Committee Member	1 July 2019 to 9 April 2020
Mark Moore	Committee Member	1 July 2019 to 25 September 2019
Adam Fitch	Committee Member	1 July 2019 to 25 September 2019



Signature of designated officer: .....

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

Dated: 6 October 2020 .....

# Committee of management statement


for the year ended 30 June 2020

On 6 / 10 / 2020 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 2020:

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: 6 October 2020 .....

# Statement of comprehensive income

for the year ended 30 June 2020

	Notes	2020 \$	2019 \$
<b>Revenue from contracts with customers</b>	3		
Membership subscriptions*		807,811	814,084
Capitation fees and other revenue from another reporting unit*	3A	-	-
Levies*	3B	-	-
<b>Total revenue from contracts with customers</b>		<b>807,811</b>	<b>814,084</b>
<b>Income for furthering objectives</b>	3		
Grants and/or donations*	3C	91,741	-
<b>Total income for furthering objectives</b>		<b>91,741</b>	<b>-</b>
<b>Other Income</b>			
Revenue from recovery of wages activity*	3D	-	-
Investment income	3E	785	1,721
Other income	3F	54,924	77,842
<b>Total other income</b>		<b>55,709</b>	<b>79,563</b>
<b>Total income</b>		<b>955,261</b>	<b>893,647</b>
<b>Expenses</b>			
Employee expenses	4A	523,898	543,622
Capitation fees and other expense to another reporting unit*	4B	-	-
Administration expenses	4C	265,694	279,601
Grants or donations	4D	3,650	2
Depreciation and amortisation	4E	362	453
Finance costs	4F	89	167
Legal costs	4G	32,400	19,802
Other expenses	4H	-	6,695
Audit fees	13	4,800	4,500
<b>Total expenses</b>		<b>830,893</b>	<b>854,842</b>
<b>Surplus (deficit) for the year</b>		<b>124,368</b>	<b>38,805</b>
<b>Other comprehensive income</b>			
<b>Items that will be subsequently reclassified to profit or loss</b>			
<b>Gain/(loss) on debt instruments at fair value through other comprehensive income (FVTOCI)</b>		-	-
<b>Items that will not be subsequently reclassified to profit or loss</b>			
<b>Gain/(loss) on revaluation of land &amp; buildings</b>		-	-
<b>Gain/(loss) on equity instruments designated at FVTOCI</b>		-	-
<b>Total comprehensive income for the year</b>		<b>124,368</b>	<b>38,805</b>

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 2020

	Notes	2020 \$	2019 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5A	656,901	572,618
Trade and other receivables*	5B	74,287	179,994
Other current assets	5C	4,898	4,388
<b>Total current assets</b>		<b>736,086</b>	<b>757,000</b>
<b>Non-current Assets</b>			
Plant and equipment	6A	1,085	1,447
Intangibles	6B	-	-
Other financial assets	6C	185	366
<b>Total non-current assets</b>		<b>1,270</b>	<b>1,813</b>
<b>Total assets</b>		<b>737,356</b>	<b>758,813</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade payables*	7A	3,261	2,139
Other payables*	7B	220,164	371,838
Employee provisions	8A	73,819	74,678
<b>Total current liabilities</b>		<b>297,244</b>	<b>448,655</b>
<b>Non-current Liabilities</b>			
Employee provisions	8A	33,879	28,293
<b>Total non-current liabilities</b>		<b>33,879</b>	<b>28,293</b>
<b>Total liabilities</b>		<b>331,123</b>	<b>476,948</b>
Net assets		<b>406,233</b>	<b>281,865</b>
<b>EQUITY</b>			
Retained earnings (accumulated deficit)		<b>406,233</b>	<b>281,865</b>
<b>Total equity</b>		<b>406,233</b>	<b>281,865</b>

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 2020

	Notes	Retained earnings \$	Total equity \$
<b>Balance as at 1 July 2018</b>		243,060	243,060
Adjustment for errors			
Adjustment for changes in accounting policies		-	-
Surplus / (deficit)		38,805	38,805
Other comprehensive income		-	-
Transfer from retained earnings		-	-
<b>Closing balance as at 30 June 2019</b>		<b>281,865</b>	<b>281,865</b>
Adjustment for errors			
Surplus / (deficit)		<b>124,368</b>	<b>124,368</b>
Other comprehensive income			
Transfer from retained earnings			
<b>Closing balance as at 30 June 2020</b>		<b>406,233</b>	<b>406,233</b>

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

# Statement of cash flows

for the year ended 30 June 2020

		2020	2019
		\$	\$
	Notes		
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Interest		785	1,721
Other		872,169	896,277
<b>Cash used</b>			
Employees		(519,171)	(517,045)
Suppliers		(309,500)	(282,650)
<b>Net cash from (used by) operating activities</b>	10A	<b>44,283</b>	<b>98,303</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Other		-	-
<b>Cash used</b>			
Purchase of plant and equipment		-	(1,900)
<b>Net cash from (used by) investing activities</b>		<b>-</b>	<b>(1,900)</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed equity		-	-
Other		-	-
<b>Cash used</b>			
Repayment of borrowings		-	-
Amounts repaid or advanced to related parties		40,000	(74,000)
<b>Net cash from (used by) financing activities</b>		<b>40,000</b>	<b>(74,000)</b>
<b>Net increase (decrease) in cash held</b>		<b>84,283</b>	<b>22,403</b>
Cash & cash equivalents at the beginning of the reporting period		572,618	550,215
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	5A	<b>656,901</b>	<b>572,618</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 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.

#### **Impact on adoption of AASB 15 Revenue from Contracts with Customers (AASB 15) and AASB 1058 Income of Not-for-Profit Entities (AASB 1058)**

AASB 15 Revenue from Contracts with Customers supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. AASB 15 also includes implementation guidance to assist not-for-profit entities to determine whether particular transactions, or components thereof, are contracts with customers. If a transaction is outside the

scope of AASB 15, the recognition and measurement of income arising from the transaction may instead be specified by another Standard, for example AASB 1058 Income of Not-for-Profit Entities.

AASB 1058 replaces the income recognition requirements in AASB 1004 Contributions that had previously applied to the VIPA. AASB 1058 provides a more comprehensive model for accounting for income of not-for-profit entities and specifies that:

- the timing of revenue or income recognition will depend on whether a performance obligation is identified or a liability is recognised;
- not-for-profit lessees can elect to recognise assets, including leases provided at significantly less than fair value, at their fair value; and
- all not-for-profit entities can elect to recognise volunteer services at fair value if the fair value of those services can be reliably measured.

The VIPA adopted AASB 15 and AASB 1058 using the modified retrospective<sup>2</sup> method of adoption, with the date of initial application of 1 July 2019. In accordance with the transition approach, VIPA recognised the cumulative effect of applying these new standards as an adjustment to opening retained earnings at the date of initial application, 1 July 2019. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on revenue and income recognition. In addition, VIPA has applied the practical expedient and elected to apply these standards retrospectively only to contracts and transactions that were not completed contracts at the date of initial application, as at 1 July 2019.

The adoption of AASB 15 and AASB 1058 did not have a material impact on the VIPA's financial statements

## 1.5 Revenue

VIPA enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

### **Membership subscriptions**

For member subscriptions paid annually in advance, VIPA has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from VIPA at their standalone selling price, VIPA accounts for those sales as a separate contract with a customer.

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<sup>2</sup> The reporting unit may elect to transition to AASB 15 by adopting either a full retrospective or modified retrospective transition method. This financial report illustrates the modified retrospective method only.

## **Interest income**

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

### **1.6 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.

### **1.7 Leases**

VIPA assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### **VIPA as a lessee**

VIPA applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. VIPA recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### **Lease liabilities**

At the commencement date of the lease, VIPA recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease

payments also include the exercise price of a purchase option reasonably certain to be exercised by VIPA and payments of penalties for terminating the lease, if the lease term reflects VIPA exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the VIPA uses the [**implicit the interest rate or incremental borrowing rate** if the implicit lease rate is not readily determinable, VIPA to use as applicable]. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

## **1.8 Borrowing costs**

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

## **1.9 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.

## **1.10 Financial instruments**

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

## **1.11 Financial assets**

### **Contract assets and receivables**

A contract asset is recognised when VIPA's right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on VIPA's future performance or some other condition.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets and receivables are subject to impairment assessment. Refer to accounting policies on impairment of financial assets below.

## **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, VIPA 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**

### **Expected credit losses**

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.

**(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.

## **1.12 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.

## **1.13 Liabilities relating to contracts with customers**

### **Contract liabilities**

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before VIPA transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when VIPA performs under the contract (i.e., transfers control of the related goods or services to the customer).

## 1.14 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.

## 1.15 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:

	2020	2019
Plant and equipment	3 to 8 years	3 to 8 years

### *Derecognition*

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

## 1.16 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:

	2020	2019
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.

### **1.17 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.

### **1.18 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.

### **1.19 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.

## 1.20 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.

## 1.21 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

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, VIPA is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of VIPA. Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of VIPA, the results of those operations, or the state of affairs of the VIPA in subsequent financial periods.

## Note 3 Revenue and income

### Disaggregation of income for furthering activities

A disaggregation of VIPA's income by type of arrangement is provided on the face of the Statement of comprehensive income. The table below also sets out a disaggregation of income by funding source:

	2020	2019
	\$	\$
<b>Income funding sources</b>		
Members	807,811	814,084
Other reporting units	-	-
Government	91,741	-
Other parties	55,709	79,563
<b>Total income for furthering activities</b>	<b>955,261</b>	<b>893,647</b>

	2020	2019
	\$	\$
<b>Note 3A: Capitation fees and other revenue from another reporting unit*</b>		
<b>Capitation fees:</b>		
Subtotal capitation fees	-	-
<b>Other revenue from another reporting unit:</b>		
Subtotal other revenue from another reporting unit	-	-
<b>Total capitation fees and other revenue from another reporting unit</b>	<b>-</b>	<b>-</b>
<b>Note 3B: Levies*</b>		
Total levies	-	-
<b>Note 3C: Grants and/or donations*</b>		
Grants	90,000	-
Donations	1,741	-
<b>Total grants and donations</b>	<b>91,741</b>	<b>-</b>
<b>Note 3D: Revenue from recovery of wages activity*</b>		
Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
<b>Total revenue from recovery of wages activity</b>	<b>-</b>	<b>-</b>
<b>Note 3E: Investment income</b>		
Interest		
Deposits	785	1,721
Dividends	-	-
<b>Total investment income</b>	<b>785</b>	<b>1,721</b>
<b>Note 3F: Other income</b>		
Centrelink - Paid Parental Leave	13,331	-
Other revenue	41,594	77,842
<b>Total revenue from other income</b>	<b>54,924</b>	<b>77,842</b>

\* 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

<b>2020</b>	2019
\$	\$

## Note 4 Expenses

### Note 4A: Employee expenses\*

#### Holders of office:

Wages and salaries	-	-
Superannuation	<b>10,389</b>	8,461
Leave and other entitlements	<b>1,622</b>	3,962
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses holders of office</b>	<b>12,011</b>	12,423

#### Employees other than office holders:

Wages and salaries	<b>462,838</b>	451,762
Superannuation	<b>45,944</b>	42,917
Leave and other entitlements	<b>3,105</b>	36,520
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses employees other than office holders</b>	<b>511,887</b>	531,199
<b>Total employee expenses</b>	<b>523,898</b>	543,622

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

#### Capitation fees

<b>Subtotal capitation fees</b>	-	-
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#### Other expense to another reporting unit

<b>Subtotal other expense to another reporting unit</b>	-	-
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<b>Total capitation fees and other expense to another reporting unit</b>	-	-
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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.

2020	2019
\$	\$

#### 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*	24,277	16,548
Contractors/consultants	108,920	89,061
Information communications technology	23,759	19,882
Other	108,738	154,110
<b>Subtotal administration expense</b>	<b>265,694</b>	<b>279,601</b>
Operating lease rentals:		
Minimum lease payments	-	-
<b>Total administration expenses</b>	<b>265,694</b>	<b>279,601</b>

#### 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
Total expensed that exceeded \$1,000	3,650	-
<b>Total grants or donations</b>	<b>3,650</b>	<b>2</b>

#### Note 4E: Depreciation and amortisation

Depreciation		
Property, plant and equipment	362	453
<b>Total depreciation</b>	<b>362</b>	<b>453</b>
Amortisation		
<b>Total amortisation</b>	<b>-</b>	<b>-</b>
<b>Total depreciation and amortisation</b>	<b>362</b>	<b>453</b>

#### Note 4F: Finance costs

Overdrafts/loans	89	167
<b>Total finance costs</b>	<b>89</b>	<b>167</b>

\* 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.



	2020	2019
	\$	\$
<b>Note 4G: Legal costs*</b>		
Litigation	-	-
Other legal costs	32,400	19,802
<b>Total legal costs</b>	<b>32,400</b>	<b>19,802</b>

**Note 4H: Other expenses**

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

**Note 5 Current Assets**

**Note 5A: Cash and cash equivalents**

Cash at bank	656,901	572,618
<b>Total cash and cash equivalents</b>	<b>656,901</b>	<b>572,618</b>

**Note 5B: Trade and other receivables**

**Receivables from other reporting unit[s]\***

<b>Total receivables from other reporting unit[s]</b>	-	-
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**Less allowance for expected credit losses\***

<b>Total allowance for expected credit losses</b>	-	-
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<b>Receivable from other reporting unit[s] (net)</b>	-	-
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<b>Trade receivables and accruals</b>	<b>40,287</b>	92,480
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<b>Total trade receivables and accruals</b>	<b>40,287</b>	92,480
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**Other receivables:**

<b>GST receivable</b>	-	618
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<b>Security deposits</b>	-	-
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<b>Advance – VIPA Financial Services Pty Ltd</b>	<b>34,000</b>	74,000
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<b>Loan – VIPA member</b>	-	-
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<b>Sundry debtors</b>	-	12,896
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<b>Total other receivables</b>	<b>34,000</b>	87,514
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<b>Total trade and other receivables (net)</b>	<b>74,287</b>	179,994
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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.

<b>2020</b>	2019
\$	\$

**Note 5C: Other current assets**

Prepaid Rent	<b>662</b>	624
Prepaid Insurance	<b>4,236</b>	3,764
Other Prepayments	-	-
<b>Total other current assets</b>	<b>4,898</b>	4,388

**Note 6 Non-current Assets**

**Note 6A: Property, Plant and Equipment**

**2020**

	<b>Plant and Equipment</b>	<b>Total</b>
	\$	\$
Property, Plant and Equipment:		
fair value	1,900	1,900
accumulated depreciation	(815)	(815)
<b>Total Property, Plant and Equipment</b>	<b>1,085</b>	<b>1,085</b>

**Reconciliation of opening and closing balances of property, plant and equipment**

<b>Net book value 1 July 2019</b>	1,447	1,447
Additions:		
By purchase	-	-
Revaluations	-	-
Impairments	-	-
Depreciation expense	(362)	(362)
Other movement [give details below]	-	-
Disposals:		
Other	-	-
<b>Net book value 30 June 2020</b>	<b>1,085</b>	<b>1,085</b>
<b>Net book value as of 30 June 2020 represented by:</b>		
Gross book value	1,900	1,900
Accumulated depreciation and impairment	(815)	(815)
<b>Net book value 30 June</b>	<b>1,085</b>	<b>1,085</b>

\* 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.

## Note 6A: Property, Plant and Equipment (Continued)

2019

	<b>Plant and Equipment</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
Property, Plant and Equipment:		
fair value	1,900	1,900
accumulated depreciation	(453)	(453)
<b>Total Property, Plant and Equipment</b>	<b>1,447</b>	<b>1,447</b>

### Reconciliation of opening and closing balances of property, plant and equipment

<b>Net book value 1 July 2018</b>	-	-
Additions:		
By purchase	1,900	1,900
Revaluations	-	-
Impairments	-	-
Depreciation expense	(453)	(453)
Other movement [give details below]	-	-
Disposals:		
Other	-	-
<b>Net book value 30 June 2019</b>	<b>1,447</b>	<b>1,447</b>
<b>Net book value as of 30 June 2019 represented by:</b>		
Gross book value	1,900	1,900
Accumulated depreciation and impairment	(453)	(453)
<b>Net book value 30 June 2019</b>	<b>1,447</b>	<b>1,447</b>

	2020	2019
	\$	\$
<b>Note 6B: Intangibles</b>		
Formation Costs	-	-
<b>Total intangibles</b>	-	-

***Reconciliation of opening and closing balances of intangibles***

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

**Note 6C: Other financial assets**

**Financial assets at fair value through profit or loss**

Quoted equity shares	<b>185</b>	366
<b>Total other financial assets</b>	<b>185</b>	366

<b>2020</b>	2019
\$	\$

## Note 7 Current Liabilities

### Note 7A: Trade payables

Trade creditors and accruals	<b>3,261</b>	2,139
<b>Subtotal trade creditors</b>	<b>3,261</b>	2,139
<b>Payables to other reporting unit*</b>		
<b>Subtotal payables to other reporting unit</b>	-	-
<b>Total trade payables</b>	<b>3,261</b>	2,139

Settlement is usually made within 30 days.

### Note 7B: Other payables

Wages and salaries	-	12
Superannuation	<b>10,891</b>	13,098
Payable to employers for making payroll deductions of membership subscriptions*	-	-
Legal costs*		
Litigation	-	-
Other legal costs	-	-
Prepayments received/unearned revenue	<b>177,582</b>	306,928
GST payable	<b>22,197</b>	40,865
Credit Card	<b>1,556</b>	1,351
PAYG withholding payable	<b>7,938</b>	9,584
<b>Total other payables</b>	<b>220,164</b>	371,838
Total other payables are expected to be settled in:		
No more than 12 months	<b>220,164</b>	371,838
More than 12 months	-	-
<b>Total other payables</b>	<b>220,164</b>	371,838

\* 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.

2020	2019
\$	\$

## Note 8 Provisions

### Note 8A: Employee provisions\*

#### Office holders:

Annual leave	-	-
Long service leave	18,469	18,935
Separations and redundancies	-	-

<b>Subtotal employee provisions—office holders</b>	<b>18,469</b>	18,935
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#### Employees other than office holders:

Annual leave	51,472	55,743
Long service leave	37,757	28,293
Separations and redundancies	-	-

<b>Subtotal employee provisions—employees other than office holders</b>	<b>89,229</b>	84,036
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<b>Total employee provisions</b>	<b>107,698</b>	102,971
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Current	73,819	74,678
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Non-current	33,879	28,293
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<b>Total employee provisions</b>	<b>107,698</b>	102,971
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## Note 9 Equity

### Note 9B: Other specific disclosures - funds\*

#### Compulsory levy/voluntary contribution fund – if invested in assets

#### Other fund(s) required by rules

<b>Balance as at start of year</b>	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
<b>Balance as at end of year</b>	<b>-</b>	-

\* 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.

<b>2020</b>	2019
<b>\$</b>	<b>\$</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>656,901</b>	572,618
Balance sheet	<b>656,901</b>	572,618
<b>Difference</b>	<b>-</b>	<b>-</b>

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

Profit/(deficit) for the year	<b>124,368</b>	38,804
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##### Adjustments for non-cash items

Depreciation	<b>362</b>	453
Bad Debts written off	-	6,695
Fair value movements in investment property	<b>181</b>	108

##### Changes in assets/liabilities

(Increase)/decrease in net receivables	<b>65,707</b>	(70,637)
(Increase)/decrease in prepayments	<b>(510)</b>	14,631
Increase/(decrease) in supplier payables	<b>(150,552)</b>	67,766
Increase/(decrease) in employee provisions	<b>4,727</b>	40,483
Increase/(decrease) in other provisions	-	-
<b>Net cash from (used by) operating activities</b>	<b>44,283</b>	<b>98,303</b>

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

Cash inflows	<b>912,953</b>	897,998
<b>Total cash inflows</b>	<b>912,953</b>	<b>897,998</b>
Cash outflows	<b>828,671</b>	875,595
<b>Total cash outflows</b>	<b>828,671</b>	<b>875,595</b>

\* 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.

<b>2020</b>	2019
<b>\$</b>	<b>\$</b>

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

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

#### **Operating lease commitments—as lessor**

#### **Risk management for rights retained in the underlying assets**

#### **Future minimum rentals receivable under non-cancellable operating leases as at 30 June are:**

Within one year	-	-
After one year but not more than two years	-	-
After two years but not more than three years	-	-
After three years but not more than four years	-	-
After four years but not more than five years	-	-
After five years	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

## **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>108,920</b>	89,061
Superannuation	<b>10,389</b>	8,461

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

Superannuation payable	-	2,191
Accrued long service leave	<b>18,469</b>	18,935

<b>Amounts received from VIPA Financial Services Pty Ltd</b>	20,000	20,000
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<b>Amounts receivable from VIPA Financial Services Pty Ltd</b>	54,000	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 2020, VIPA has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2019: \$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.

	2020	2019
	\$	\$

### Note 12B: Key management personnel remuneration for the reporting period

#### Short-term employee benefits

Salary	183,948	151,447
Consulting fees	108,920	89,061
Annual leave paid	8,586	2,403
Personal leave paid	689	5,145

<b>Total short-term employee benefits</b>	<b>302,143</b>	<b>248,056</b>
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#### Post-employment benefits:

Superannuation	24,656	15,105
Superannuation payable	4,089	3,717

<b>Total post-employment benefits</b>	<b>28,745</b>	<b>18,822</b>
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#### Other long-term benefits:

Long-service leave	2,821	3,962
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<b>Total other long-term benefits</b>	<b>2,821</b>	<b>3,962</b>
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<b>Termination benefits</b>	-	-
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<b>Total Termination benefits</b>	-	-
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### Note 12C: Transactions with key management personnel and their close family members

<b>Loans to/from key management personnel</b>	-
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<b>Other transactions with key management personnel</b>	-
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### Note 13 Remuneration of Auditors

#### Value of the services provided

Financial statement audit services	4,800	4,500
Other services	-	-

<b>Total remuneration of auditors</b>	<b>4,800</b>	<b>4,500</b>
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[No other services were provided by the auditors of the financial statements.]

<b>2020</b>	<b>2019</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>656,901</b>	572,618
Trade and other receivables	<b>74,287</b>	179,994
Prepayments	<b>4,898</b>	4,389
Shares in listed companies	<b>185</b>	366
<b>Total</b>	<b>736,271</b>	757,367
<b><i>Carrying amount of financial assets</i></b>	<b>736,271</b>	757,367

#### ***Financial liabilities***

Fair value through profit or loss:

Trade and other payables	<b>223,425</b>	373,977
<b>Total</b>	<b>223,425</b>	373,977
<b><i>Carrying amount of financial liabilities</i></b>	<b>223,425</b>	373,977

	2020	2019
	\$	\$
<b>Note 14B: Net income and expense from financial assets</b>		
<b>Financial assets at fair value through profit and loss</b>		
<b>Total held for trading</b>	-	-
<b>Designated as fair value through profit and loss:</b>		
Change in fair value	(181)	(107)
Interest revenue	-	-
Dividend revenue	-	-
Exchange gains/(loss)	-	-
<b>Total designated as fair value through profit and loss</b>	(181)	(107)
<b>Net gain/(loss) on financial assets at fair value through profit and loss</b>	(181)	(107)
<b>Sub-total net income/(expense) from financial assets</b>	(181)	(107)

#### 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.

<b>Financial assets</b>		
Trade and other receivables	74,287	179,994
<b>Total</b>	74,287	179,994
<b>Financial liabilities</b>		
Trade and other payables	223,425	373,977
<b>Total</b>	223,425	373,977

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

#### Note 14D: 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 2020

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade and other payables	-	3,261	-	-	-	3,261
<b>Total</b>	-	3,261	-	-	-	3,261

### 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
<b>Total</b>	-	2,139	-	-	-	2,139

### Note 14E: 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 2020 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 2020 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 2020 \$	Fair value 2020 \$	Carrying amount 2019 \$	Fair value 2019 \$
<b>Financial Assets</b>				
Cash and cash equivalents	656,901	656,901	572,618	572,618
Trade and other receivables	74,287	74,287	179,994	179,994
Prepayments	4,898	4,898	4,389	4,389
Shares in listed Companies	185	185	366	366
<b>Total</b>	<b>736,271</b>	<b>736,271</b>	<b>757,367</b>	<b>757,367</b>
<b>Financial Liabilities</b>				
Trade and other payables	223,425	223,425	373,977	373,977
<b>Total</b>	<b>223,425</b>	<b>223,425</b>	<b>373,977</b>	<b>373,977</b>

### Note 15B: Financial and non-financial assets and liabilities fair value hierarchy

The following tables provide an analysis of financial and non-financial assets and liabilities that are measured at fair value, by fair value hierarchy.

#### Fair value hierarchy – 30 June 2020

	Date of valuation	Level 1	Level 2	Level 3
<b>Assets measured at fair value</b>		\$	\$	\$
Shares in listed Companies	30 June 2020	185	-	-
<b>Total</b>		<b>185</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 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).

## **Note 17      Covid 19**

COVID-19 caused a global pandemic, which impacted Australia from March 2020. Significant Government restrictions were imposed to assist in stopping the spread of the disease. Whilst restrictions are now starting to be eased, it is expected that the impact of the pandemic will continue into the foreseeable future.

VIPA received the following assistance from the government:

- Business support fund – Victorian Government
- Cash flow boost – Federal Government
- Jobkeeper for eligible employees – Federal Government

No other financial assistance was received by VIPA in the 2020 financial year.

### Financial impacts

Industry – COVID-19 has created a significant financial impact on the aviation industry due to travel and flight restrictions both domestically and globally.

VIPA – Job losses and pilot employees being stood down have resulted in a reduction in members as well as a reduction in fees generated per member to assist with retention. At present, government support has exceeded reduction in revenue creating a cushion against revenue losses in the short term.

### Operational impacts

VIPA has experienced a significant increase in workload due to increased reliance on members to support them through redundancy and employee stand downs. Corresponding with COVID-19 was the voluntary administration of Virgin Australia Holdings Ltd, and this has created additional workload for VIPA in support of members.

### Strategic impacts

VIPA's Committee of Management is currently re-assessing its strategic position in response to the short-term downturn in aviation due to Covid-19.

The Committee is exploring all options to consolidate its revenue streams and preserve its cash reserves. As borders open, it is anticipated that flying will increase and this will have a direct bearing on revenue for the Association.


## 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 2020

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 revenue via compulsory levies
- 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 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
- have a payable with other reporting unit
- 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 separation and redundancy provision in respect of holders of office
- have a separation and redundancy provision in respect of employees (other than holders of office)

- have other employee provisions in respect of employees (other than 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 unit 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: 9 October 2020 .....