

New South Wales Independent Education Union

ABN: 20 493 156 594

State Registered Trade Union

Financial Statements

For the Year Ended 31 December 2019

New South Wales Independent Education Union

ABN: 20 493 156 594

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New South Wales Independent Education Union

ABN: 20 493 156 594

Committee of Management Certificate

We, Mark Northam and Carol Matthews, being two members of the Committee of Management of the New South Wales Independent Education Union ("the Union"), hereby certify in respect of the financial year ended 31 December 2019, that:

- i) In the opinion of the Committee of Management, the attached financial statements show a true and fair view of the financial affairs of the Union as at 31 December 2019; and
- ii) In the opinion of the Committee of Management, meetings of the Committee of Management were held during the year ended 31 December 2019 in accordance with the Rules of the Union; and
- iii) To the knowledge of any member of the Committee of Management, there have been no instances where records of the Union or other documents [not being documents containing information made available to a member of the Union under subsection 512(2) of the *Industrial Relations Act 1991 (NSW)*, as applied by subsection 282(3) of the *Industrial Relations Act 1996 (NSW)*] or copies of those records or documents, or copies of the rules of the Union, have not been furnished, or made available to members in accordance with the *Industrial Relations Act 1996 (NSW)*, the Regulations thereto, or the Rules of the Union as the case may be; and
- iv) In relation to the report prepared in accordance with section 514 of the 1991 Act, as applied by section 282(3) of the *Industrial Relations Act 1996 (NSW)*, by the auditor of the organisation in respect of the financial year immediately preceding the financial year to which the accounts relate [i.e the second most recently concluded financial year] and in relation to any accounts and statements prepared in accordance with section 510(1) of the 1991 Act to which that report relates, the organisation has complied with section 517(1) of the 1991 Act and whichever of subsections (5) and (6) of that section of that Act is applicable.

This certificate is in accordance with a resolution passed by the Committee of Management of the Union in relation to the matters to be stated in the certificate and is signed on behalf of the Committee of Management by the undersigned:



.....

Mark Northam



.....

Carol Matthews

Dated: 8 May 2020

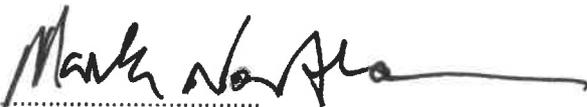
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Certificate by Accounting Officer

I, Mark Northam, being the Accounting Officer of the New South Wales Independent Education Union ("the Union") hereby certify to the best of my knowledge and belief that there were 29,690 persons that were full members of the Union as at the end of the financial year ended 31 December 2019, and in my opinion;

- i) The attached financial statements show a true and fair view of the financial affairs of the Union as at 31 December 2019; and
- ii) A record has been kept of all monies paid by, or collected from members of the Union, and all money so paid or collected have been credited to the bank account or accounts to which those monies are to be credited, in accordance with the Rules of the Union; and
- iii) Before any expenditure was incurred by the Union approval of the incurring of the expenditure was obtained in accordance with the Rules of the Union; and
- iv) No payment was made out of a fund referred to in clause 57(b)(xiii) or (xv) of the *Industrial Relations Regulation 1992* for a purpose other than the purpose for which the fund was operated and only when approved in accordance with the Rules of the Union; and
- v) Any loans or financial benefits granted to persons holding office in the Union were authorised in accordance with the Rules of the Union; and
- vi) The register of members of the Union was maintained in accordance with the *Industrial Relations Act 1996 (NSW)*.



Mark Northam

Accounting Officer

Dated: 8 May 2020

New South Wales Independent Education Union

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2019

	Note	2019 \$	2018 \$
Rental income	4	148,643	118,883
Other income	4	33,218	60,799
Depreciation expense	8, 9	(681,636)	(687,572)
Building expenses		(224,165)	(201,775)
Professional fees		(19,050)	(30,442)
Legal fees		(15,118)	-
Other expenses		(1,149)	(16,135)
Result for the year		(759,257)	(756,242)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(759,257)	(756,242)

The accompanying notes form part of these financial statements.

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Balance Sheet

As at 31 December 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	736,529	1,051,041
Trade and other receivables	6	17,608	3,707
Other financial assets	7	557,374	542,876
Property, plant and equipment	8	12,144,551	-
Investment properties	9	474,228	-
Prepayments		633	635
TOTAL CURRENT ASSETS		<u>13,930,923</u>	<u>1,598,259</u>
NON-CURRENT ASSETS			
Other financial assets		-	17
Property, plant and equipment	8	-	12,750,468
Investment properties	9	-	486,744
TOTAL NON-CURRENT ASSETS		<u>-</u>	<u>13,237,229</u>
TOTAL ASSETS		<u>13,930,923</u>	<u>14,835,488</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	9,536	154,844
TOTAL CURRENT LIABILITIES		<u>9,536</u>	<u>154,844</u>
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>9,536</u>	<u>154,844</u>
NET ASSETS		<u>13,921,387</u>	<u>14,680,644</u>
EQUITY			
Retained earnings		<u>13,921,387</u>	<u>14,680,644</u>
TOTAL EQUITY		<u>13,921,387</u>	<u>14,680,644</u>

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 31 December 2019

	Retained Earnings \$
Balance at 1 January 2019	14,680,644
Result for the year	<u>(759,257)</u>
Balance at 31 December 2019	<u>13,921,387</u>
Balance at 1 January 2018	15,436,886
Result for the year	<u>(756,242)</u>
Balance at 31 December 2018	<u>14,680,644</u>

The accompanying notes form part of these financial statements.

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Statement of Cash Flows

For the Year Ended 31 December 2019

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from members/customers	161,904	142,850
Payments to suppliers and employees	(425,821)	(127,625)
Interest received	19,101	25,058
Net cash provided by/(used in) operating activities	<u>(244,816)</u>	<u>40,283</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(78,908)	(688,145)
Proceeds from sale of property, plant and equipment	23,693	33,187
Purchase of held-to-maturity assets	(14,481)	(13,322)
Net cash provided by/(used in) investing activities	<u>(69,696)</u>	<u>(668,280)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net cash provided by/(used in) financing activities	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents held	(314,512)	(627,997)
Cash and cash equivalents at beginning of year	<u>1,051,041</u>	<u>1,679,038</u>
Cash and cash equivalents at end of financial year	5 <u><u>736,529</u></u>	<u><u>1,051,041</u></u>

The accompanying notes form part of these financial statements.

New South Wales Independent Education Union

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Notes to the Financial Statements

For the Year Ended 31 December 2019

The financial report covers New South Wales Independent Education Union as an individual entity. New South Wales Independent Education Union is a not-for-profit Union which is an organisation of employees registered under the *Industrial Relations Act 1996 [NSW]* ("the Act"). In accordance with the Act, the Union is a body corporate with perpetual succession. By virtue of this method of incorporation, the Union is not subject to the *Corporation Act 2001*.

The financial report was authorised for issue by the Committee of Management on 8 May 2020.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Industrial Relations Act 1996 [NSW]*. For the purpose of preparing the general purpose financial statements, the Union is a not-for-profit entity.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

Liquidation Basis of Preparation

Subsequent to year end, the Committee of Management has commenced the process to transfer the assets and liabilities of this entity over to the Independent Education Union of Australia - New South Wales/Australian Capital Territory Branch. Accordingly the financial report is prepared on a liquidation basis. Given no consideration will be received for the transfer of assets they continue to be measured in accordance with the accounting policies disclosed in this financial report. Subsequent to the successful transfer of all assets and liabilities it is expected that this entity will be wound up.

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Notes to the Financial Statements

For the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers - accounting policy applied from 1 January 2019

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Union expects to receive in exchange for those goods or services.

Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Union have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Union are:

Rental income

Rental revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Interest revenue

Interest is recognised using the effective interest rate method.

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Notes to the Financial Statements

For the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies (continued)

(a) Revenue and other income (continued)

Revenue - accounting policy applied prior to 1 January 2019

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Union and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

(b) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the balance sheet.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(c) Income Tax

The Union is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(d) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(e) Investment property

Investment property is held at cost which includes expenditure that is directly attributable to the acquisition of the investment property. The investment properties are depreciated on a straight-line basis over 40 years.

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Notes to the Financial Statements

For the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies (continued)

(f) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Land and buildings

Land and buildings are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Union, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2.5% - 5.0%
Plant and Equipment	15% - 30%
Motor Vehicles	25%
Computer Software	25%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(g) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Union becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Notes to the Financial Statements

For the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies (continued)

(g) Financial instruments (continued)

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Union classifies its financial assets into the following categories, those measured at:

- amortised cost; or
- fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Union changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Union's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the balance sheet.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL.

Net gains or losses, including any interest income are recognised in profit or loss.

Notes to the Financial Statements

For the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies (continued)

(g) Financial instruments (continued)

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Union considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Union's historical experience and informed credit assessment and including forward looking information.

The Union uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Union uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Union in full, without recourse to the Union to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Union in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Union has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Union renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Notes to the Financial Statements

For the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies (continued)

(g) Financial instruments (continued)

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial Liabilities

The Union measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Union comprise trade payables.

(h) Impairment of non-financial assets

At the end of each reporting period the Union determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

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Notes to the Financial Statements

For the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies (continued)

(i) Adoption of new and revised accounting standards

During the current year, AASB 16 *Leases*, AASB 15 *Revenue from contracts with customers* and AASB 1058 *Income of Not-for-Profit Entities* have become mandatory, which has not had an impact (in the current year or retrospectively) upon the measurement of assets/liabilities and upon the disclosures required in this financial report. Refer to note 17 for further information.

3 Critical Accounting Estimates and Judgments

Committee of Management make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below:

Key estimates - impairment of property, plant and equipment

The Committee of Management assesses impairment at the end of each reporting period by evaluating conditions specific to the Committee of Management that may be indicative of impairment triggers.

Key estimates - useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain property, plant and equipment.

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Notes to the Financial Statements

For the Year Ended 31 December 2019

4 Revenue and other income

	2019	2018
	\$	\$
Revenue from contracts with customers		
- Rental income	<u>148,643</u>	118,883
Other income		
- Interest income	19,101	25,058
- Other income	<u>14,117</u>	35,741
	<u>33,218</u>	60,799
Total Revenue	<u><u>181,861</u></u>	<u>179,682</u>

Disaggregation of revenue from contracts with customers

Revenue from contracts with customers has been disaggregated into revenue recognition and the following table shows this breakdown:

	2019
	\$
Timing of revenue recognition	
- At a point in time	-
- Over time	<u>148,643</u>
Revenue from contracts with customers	<u><u>148,643</u></u>

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Notes to the Financial Statements

For the Year Ended 31 December 2019

5 Cash and cash equivalents

	2019	2018
	\$	\$
Cash at bank and in hand	<u>736,529</u>	<u>1,051,041</u>

6 Trade and other receivables

Trade receivables from contracts with customers	<u>17,608</u>	<u>3,707</u>
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The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

7 Other financial assets

Financial assets - at amortised cost	557,357	542,876
Financial Assets - Shares in other corporations	<u>17</u>	<u>-</u>
	<u>557,374</u>	<u>542,876</u>

New South Wales Independent Education Union

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Notes to the Financial Statements

For the Year Ended 31 December 2019

8 Property, plant and equipment

	2019	2018
	\$	\$
Land and buildings		
At cost	15,028,079	15,028,079
Accumulated depreciation	<u>(3,141,587)</u>	<u>(2,692,815)</u>
	<u>11,886,492</u>	<u>12,335,264</u>
Plant and equipment		
At cost	528,339	626,196
Accumulated depreciation	<u>(449,924)</u>	<u>(489,157)</u>
	<u>78,415</u>	<u>137,039</u>
Motor vehicles		
At cost	552,905	565,227
Accumulated depreciation	<u>(419,498)</u>	<u>(365,443)</u>
	<u>133,407</u>	<u>199,784</u>
Office equipment		
At cost	381,246	394,048
Accumulated depreciation	<u>(335,009)</u>	<u>(315,667)</u>
	<u>46,237</u>	<u>78,381</u>
Computer software		
At cost	622,809	622,809
Accumulated depreciation	<u>(622,809)</u>	<u>(622,809)</u>
	<u>-</u>	<u>-</u>
	<u>12,144,551</u>	<u>12,750,468</u>

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Notes to the Financial Statements

For the Year Ended 31 December 2019

8 Property, plant and equipment (continued)

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land and buildings	Plant and Equipment	Motor Vehicles	Office Equipment	Total
	\$	\$	\$	\$	\$
Balance at the beginning of year	12,335,264	137,039	199,784	78,381	12,750,468
Additions	-	14,761	63,841	306	78,908
Disposals - written down value	-	-	(15,705)	-	(15,705)
Depreciation expense	(448,772)	(73,385)	(114,513)	(32,450)	(669,120)
Balance at the end of the year	11,886,492	78,415	133,407	46,237	12,144,551

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Notes to the Financial Statements

For the Year Ended 31 December 2019

9 Investment Properties

	2019	2018
	\$	\$
Investment properties at cost	634,572	634,572
Accumulated depreciation	<u>(160,344)</u>	<u>(147,828)</u>
	<u>474,228</u>	<u>486,744</u>

Movement in carrying amounts

Balance at beginning of the period	486,744	499,263
Depreciation	<u>(12,516)</u>	<u>(12,519)</u>
Balance at end of the period	<u>474,228</u>	<u>486,744</u>

10 Trade and Other Payables

Trade payables	286	146,844
Other payables	<u>9,250</u>	<u>8,000</u>
	<u>9,536</u>	<u>154,844</u>

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

11 Lessor Commitments

New South Wales Independent Education Union leases out its investment properties and part of its property, plant and equipment under commercial leases. These non-cancellable leases have terms between 3 and 10 years. All leases include an option for New South Wales Independent Education Union to increase rent to current market rental on an annual basis.

The future minimum lease payments under non-cancellable leases are:

- no later than 1 year	79,360	69,824
- between 1 year and 2 years	42,311	44,995
- between 2 year and 3 years	<u>9,970</u>	<u>11,301</u>
Total minimum lease payments	<u>131,641</u>	<u>126,120</u>

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Notes to the Financial Statements

For the Year Ended 31 December 2019

12 Financial Risk Management

The main risks New South Wales Independent Education Union is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and equity price risk.

The Union's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable and leases.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2019 \$	2018 \$
Financial assets			
Held at amortised cost			
Cash and cash equivalents	5	736,529	1,051,041
Trade and other receivables	6	17,608	3,707
Shares in other corporations		17	17
Financial assets at amortised cost	7	557,357	542,876
Total financial assets		1,311,511	1,597,641
Financial liabilities			
Trade and other payables	10	9,536	154,844

Liquidity risk

Liquidity risk arises from the Union's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Union will encounter difficulty in meeting its financial obligations as they fall due.

The Union's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Union.

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

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Notes to the Financial Statements

For the Year Ended 31 December 2019

12 Financial Risk Management (continued)

Credit risk (continued)

The Union has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

13 Key Management Personnel Disclosures

The totals of remuneration paid to the key management personnel of New South Wales Independent Education Union during the year are as follows:

	2019	2018
	\$	\$
Total remuneration	<u>-</u>	<u>-</u>

There are no office holders directly remunerated by the Union. This function is outsourced to the Independent Education Union of Australia New South Wales/Australian Capital Territory Branch and incorporated into the overall service agreement with them. Under this agreement, specific remuneration amounts are not separately quantifiable and hence are not able to be disclosed. Refer to note 15 for details of payments made to related parties.

14 Contingencies

In the opinion of the Committee of Management, the Union did not have any contingencies at 31 December 2019 (31 December 2018: None).

Contingent Liabilities

As a benefit of membership, the Union has undertaken to fund the future legal costs of a number of member matters. Whilst it is difficult to quantify the commitment that has been made, the Union's exposure to costs being incurred is limited and can be controlled. Accordingly, the collective value of the potential contingent liability to the Union is not able to be measured reliably, nor is it considered to be material, and hence no further information has been disclosed.

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Notes to the Financial Statements

For the Year Ended 31 December 2019

14 Contingencies (continued)

Contingent Assets

Similarly, having funded the legal costs of member matters over numerous years, the Union considers it probable that future recoveries will be made in relation to such legal services disbursements. However, the prospects of success and quantum of recoveries are not able to be measured reliably, nor are they considered to be material, and hence no further information has been disclosed.

15 Related Parties

(a) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

- Revenue received from Independent Education Union New South Wales/Australian Capital Territory Branch under the Assets and Liabilities Agreement was \$Nil (2018: \$Nil).
- Amount payable to Independent Education Union of Australia New South Wales/Australian Capital Territory Branch as at 31 December 2019: \$51 (2018: \$11,791).

16 Events Occurring After the Reporting Date

As discussed in note 1 the Committee of Management is currently in the process of winding up the Union and subsequent to balance date, has commenced transferring assets to Independent Education Union of Australia - New South Wales/Australian Capital Territory Branch for nil consideration.

In addition to the above, unprecedented developments have arisen subsequent to balance date due to the COVID-19 pandemic. Given the ongoing measures implemented by the State and Federal Government's, there has already been a significant impact upon the economy, which is yet to be fully realised, notwithstanding stimulus measures announced. It is likely that there will be wide-ranging impacts for the Union, including the potential:

- loss of rental income;
- reductions in the market value of investments and properties;
- worsening debtor collections and possible impairment; and
- favourable stimulus measures by the government.

The ultimate extent of the financial outcomes as they affect the Union are currently unable to be reliably quantified.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Union, the results of those operations, or the

New South Wales Independent Education Union

ABN: 20 493 156 594

Notes to the Financial Statements

For the Year Ended 31 December 2019

16 Events Occurring After the Reporting Date (continued)

state of affairs of the Union in future financial years.

17 Change in Accounting Policy

On 1 January 2019 the Union adopted the following new accounting standards that were mandatory for the first time:

- AASB 15 *Revenue from contracts with customers*
- AASB 16 *Leases*
- AASB 1058 *Income for Not-for-Profit Entities*

All standards have been applied to the year ended 31 December 2019, however, as allowed, comparatives have not been restated.

AASB 15, AASB 16 and AASB 1058 resulted in changes to accounting policies, however no adjustments were required to be recognised in the financial statements.

18 Information to be provided to Members or Registrar

In accordance with the requirements of the *Industrial Relations Act, 1991 [NSW]* the attention of members is drawn to the provisions of Subsections (1) and (2) of Section 512 which read as follows:

1. A member of an organisation, or the Industrial Registrar, may apply to the organisation for specified information prescribed by the regulations in relation to the organisation.
2. An organisation must, on the making of such an application, make the specified information available to the member or the Industrial Registrar in the manner, and within the time, prescribed by the regulations.

New South Wales Independent Education Union

ABN: 20 493 156 594

Notes to the Financial Statements

For the Year Ended 31 December 2019

19 Members of the Council

Persons holding executive positions within the Union and as members of the Council during the year:

Name	Position	Period of Appointment
Mark Northam	Assistant Secretary	January 2019 - October 2019
	Secretary	October 2019 - December 2019
Carol Matthews	Assistant Secretary	January 2019 - October 2019
	Deputy Secretary	October 2019 - December 2019
John Quessy	Secretary	January 2019 - October 2019
Gloria Taylor	Deputy Secretary	January 2019 - October 2019
William Griffiths	Assistant Secretary	October 2019 - December 2019
Pamela Smith	Assistant Secretary	October 2019 - December 2019
Christine Wilkinson	President	January 2019 - December 2019
Louise Glase	Vice President (Non Systemic)	January 2019 - October 2019
Bruce Paine	Vice President (Non Systemic)	October 2019 - December 2019
Bernadette Baker	Vice President (Systemic)	January 2019 - December 2019
Gabrielle Connell	Vice President (Early Childhood Services)	January 2019 - December 2019
Carolyn Collins	Vice President (Support Staff)	January 2019 - December 2019
Leah Godfrey	Vice President (ACT)	January 2019 - October 2019
Anglea McDonald	Vice President (ACT)	October 2019 - December 2019
Peter Moore	Financial Officer	January 2019 - December 2019
Marie MacTavish	Financial Officer	January 2019 - October 2019
Denise McHugh	General Executive Member	January 2019 - October 2019
	Financial Officer	October 2019 - December 2019
Libby Lockwood	General Executive Member	October 2019 - December 2019
Suzanne Penson	General Executive Member	January 2019 - December 2019
John O'Neill	General Executive Member	January 2019 - December 2019
Helen Templeton	General Executive Member	January 2019 - December 2019
Jeff Pratt	General Executive Member	January 2019 - December 2019
Simon Goss	General Executive Member	January 2019 - December 2019
Tina Ruello	General Executive Member	January 2019 - December 2019
Patricia Murnane	General Executive Member	January 2019 - October 2019
Amy Mead	General Executive Member	October 2019 - December 2019
Ross Conlon	General Executive Member	January 2019 - October 2019
Phoebe Craddock-Lovett	General Executive Member	October 2019 - December 2019
Anna Luedi	General Executive Member	March 2019 - December 2019

New South Wales Independent Education Union

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Notes to the Financial Statements

For the Year Ended 31 December 2019

20 Additional Disclosures Required Under the Industrial Relations Act

	2019	2018
	\$	\$
Total remuneration paid		
Remuneration of officers	-	-
Remuneration of employees	-	-
	<hr/>	<hr/>
	<hr/>	<hr/>
Amounts set aside for retirement benefits		
Remuneration of officers	-	-
Remuneration of employees	-	-
	<hr/>	<hr/>
	<hr/>	<hr/>
Grants or donations received	-	-
Grants or donations paid	-	-
Interest expense	-	-
Penalties imposed under the Industrial Relations Legislation	-	-
Government/Municipal/Public Investment Assets held at balance date	-	-

There are no office holders or employees directly remunerated by the Union. This function is outsourced to the Independent Education Union of Australia New South Wales/Australian Capital Territory Branch and incorporated into the overall service agreement with them. Under this agreement, specific remuneration amounts are not separately quantifiable and hence are not able to be disclosed. Refer to note 15 for details of payments made to related parties.



Independent Audit Report to the members of New South Wales Independent Education Union

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of New South Wales Independent Education Union ("the Union"), which comprises the balance sheet as at 31 December 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, the Certificate by Accounting Officer and the Committee of Management Certificate.

We report that we have inspected and audited the accounting records of the New South Wales Independent Education Union in relation to the financial year ended 31 December 2019 and report that in our opinion:

- (a) Satisfactory accounting records have been kept by the Union, so far as appears from our examination of these books, including:
 - (i) records of the sources and nature of the income of the Union (including income from members); and
 - (ii) records of the nature and purpose of the expenditure of the Union.

In our opinion, the financial statements and other statements prepared under Section 510 of the *Industrial Relations Act 1991 (NSW)* have been properly drawn up so as to give a true and fair view of:

- (b)
 - (i) the financial affairs of the Union as at 31 December 2019; and
 - (ii) the income and expenditure, results and cash flows of the Union for the year ended on that date; and
 - (iii) all information, being information which was reasonably wanted for the purpose of this audit, which was required and sought by us or by any person authorised for the purpose of the audit, was provided.

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Independent Audit Report to the members of New South Wales Independent Education Union

- (c) The financial statements have been prepared in accordance with Australian Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - Liquidation basis of preparation

We draw attention to note 1 - Liquidation basis of preparation, in the financial report. This note states that the Union is currently in the process of transferring the legal title to ownership of property assets to a related entity. Once this process is completed, it is expected that the Union would be wound up. Our opinion is not modified in respect of this matter.

Responsibilities of the Committee of Managements for the Financial Report

The Committee of Management of the Union are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Industrial Relations Act 1996 [NSW]* and for such internal control as the Committee of Managements 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 Managements are responsible for assessing the Union'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 Managements either intend to liquidate the Union or to cease operations, or have no realistic alternative but to do so.



Independent Audit Report to the members of New South Wales Independent Education Union

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are 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 our 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

This description forms part of our auditor's report.


Daley Audit


Stephen Milgate
Partner

Wollongong

8 May 2020

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