

NEW SOUTH WALES INDEPENDENT EDUCATION UNION

FINANCIAL STATEMENTS

For the year ended 31 December 2017

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NEW SOUTH WALES INDEPENDENT EDUCATION UNION

Statement of Comprehensive Income

for the year ended 31 December 2017

	NOTES	2017 \$	2016 \$
INCOME			
Membership Subscription	4A	-	7,616,274
Advertising		-	195,673
Insurance Recoveries		47,649	-
Interest Received	4B	79,105	126,230
Other Income and Reimbursement	4C	123,280	222,163
Publication Sales		-	129,567
Sitting Fees		-	10,638
TOTAL OPERATING INCOME		250,034	8,300,545
NON OPERATING INCOME			
Profit/(loss) on disposal of assets		7,265	19,093
TOTAL NON OPERATING INCOME		7,265	19,093
TOTAL INCOME		257,299	8,319,638
Less: EXPENDITURE			
Affiliation & Capitation Fees	5A	-	41,843
Audit, Accountancy & Other Services	5B	28,481	61,500
Bank & Credit Card Charges		1,602	38,810
Books, Periodicals & Subscriptions		-	21,371
Branch Expenses		(156)	56,951
Building Operating Cost	5C	170,252	110,714
Casual Secretarial & Clerical Service		-	1,727
Council & AGM Expenses		35,072	76,479
Depreciation of Fixed Assets	7	466,550	486,836
Donations	5D	-	2,337
Technology maintenance/service/repair		-	182,602
Election Expenses		-	4,995
Fringe Benefits Tax		-	39,777
Insurances		25,000	25,437
Journal and Publication Costs		-	250,964
Leasing Equipment		-	25,134
Legal & Associated Costs		-	85,057
Membership service expenses		-	220,727
Official Dinners, Luncheons, Functions & Meeting Expenses		-	71,531
Officer Travel & Accommodation		19	-
Payroll Deduction Commission		-	66,245

NEW SOUTH WALES INDEPENDENT EDUCATION UNION

Statement of Comprehensive Income (continued)
for the year ended 31 December 2017

	NOTES	<u>2017</u>	<u>2016</u>
		\$	\$
Payroll Tax		-	5,729
Postage & Courier Services		-	51,886
Printing & Stationery		-	68,423
Seminars & Courses		-	40,732
Staff Amenities, Office Requisites & Miscellaneous Expenses		(720)	10,201
Staff Recruitment		-	3,250
Telephone		-	21,391
Union Training Courses & Other Services		-	76,496
Teacher Exchange & Member Benefits		-	13,051
Interest paid		-	11,943
Service fee - IEUA NSW/ACT		-	5,232,667
TOTAL EXPENDITURE		<u>726,100</u>	<u>7,659,810</u>
 SURPLUS/(DEFICIT) FOR THE YEAR		 <u>(468,801)</u>	 <u>659,828</u>
 OTHER COMPREHENSIVE INCOME			
Profit/(loss) on revaluation of assets		6,349,913	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>6,349,913</u>	<u>-</u>
 Accumulated Fund at beginning of the year		17,273,489	16,613,661
 ACCUMULATED FUND AT END OF THE YEAR		 <u>23,154,601</u>	 <u>17,273,489</u>

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

NEW SOUTH WALES INDEPENDENT EDUCATION UNION

Statement of Financial Position

as at 31 December 2017

	NOTES	2017	2016
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	6	2,208,592	2,222,801
Interest bearing deposits		-	3,000,000
Account Receivables		8	53,190
Prepayments and Instalments		1,798	-
TOTAL CURRENT ASSETS		2,210,398	5,275,991
NON CURRENT ASSETS			
Unlisted shares at cost		17	17
Land and Building	7	20,515,000	15,171,028
Less: Accumulated Depreciation	7	-	(807,107)
Motor Vehicles (at cost)	7	546,813	558,128
Less: Accumulated Depreciation	7	(351,629)	(278,988)
Office Furniture and Fittings (at cost)	7	386,778	356,538
Less: Accumulated Depreciation	7	(280,885)	(226,000)
Plant and Equipment (at cost)	7	592,294	614,759
Less: Accumulated Depreciation	7	(443,940)	(418,790)
Computer software (at cost)	7	622,809	622,809
Less: Accumulated Depreciation	7	(622,809)	(622,809)
TOTAL NON CURRENT ASSETS		20,964,449	14,969,585
TOTAL ASSETS		23,174,847	20,245,576
CURRENT LIABILITIES			
Accounts Payable	8	22,309	2,966,962
FBT reimbursement		-	-
Other taxes Payable/(refundable)	9	(2,064)	5,125
TOTAL CURRENT LIABILITIES		20,245	2,972,087
NON-CURRENT LIABILITIES			
Loans		-	-
TOTAL LIABILITIES		20,245	2,972,087
NET ASSETS		23,154,601	17,273,489
EQUITY			
Retained earnings		16,804,688	17,273,489
Revaluation Reserve		6,349,913	-
TOTAL EQUITY		23,154,601	17,273,489

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

NEW SOUTH WALES INDEPENDENT EDUCATION UNION

Statement of Changes in Equity

for the year ended 31 December 2017

	Notes	General funds \$	Retained earnings \$	Total equity \$
Balance as at 1 January 2016		-	16,613,661	16,613,661
Surplus / (deficit)		-	659,828	659,828
Other comprehensive income		-	-	-
Transfer from retained earnings		-	-	-
Closing balance as at 31 December 2016		-	17,273,489	17,273,489
Surplus / (deficit)		-	(468,801)	(468,801)
Other comprehensive income			6,349,913	6,349,913
Transfer to Revaluation Reserve			(6,349,913)	(6,349,913)
Transfer from Retained earnings		6,349,913	-	6,349,913
Closing balance as at 31 December 2017		6,349,913	16,804,688	23,154,601

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

NEW SOUTH WALES INDEPENDENT EDUCATION UNION

FOR YEAR ENDED 31 DECEMBER 2017

Note 1 Accounting Method

- (a) The accompanying financial statements have been prepared in accordance with conventional historical cost principles.
- (b) Depreciation of fixed assets is calculated by prime cost method using rates designed to write the assets off over their useful life.
- (c) Provision for employee long service leave and annual leave have been made for the estimated accrued entitlements of all employees on the basis of their terms of employment.
- (d) The Union is self assessed as exempt from income tax and accordingly no provision for the income tax is necessary.
- (e) These financial statements have been prepared on a going concern basis.

Note 2 Information to be Provided to Members or Registrar

Sub-sections (1) and (2) of section 512 of the Industrial Relations Act 1991, preserved as regulations under section 282(3) Industrial Relations Act 1996, provide that:

- (a) 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.
- (b) An organisation must, on the making of such application, make the specified information available to the member or Industrial Registrar in the manner, and within the time, prescribed by the regulations.

Note 3 Investments and Interest Income

Bank term deposit and other cash investments are realisable within one year. Interest income is brought to account when received.

NEW SOUTH WALES INDEPENDENT EDUCATION UNION

	2017	2016
	\$	\$
Note 4 Income		
Note 4A Membership subscription		
As part of an operational change during the previous year, the membership fees became payable to the Independent Education Union of Australia - New South Wales/ACT Branch as from 1 July 2016.		
Membership subscription-Payroll Deduction	-	4,712,718
Membership subscription-Non Payroll Deduction	-	2,903,556
	-	7,616,274
Note 4B: Interest		
Deposits	79,105	126,230
Loans	-	-
Total interest	79,105	126,230
Note 4C Other Income & Reimbursements		
Car usage reimbursement	-	3,867
Rent received	123,280	113,780
Union training	-	11,893
Miscellaneous	-	92,623
	123,280	222,164
Note 5 Expenses		
Note 5A Affiliation & Capitation Fees		
Newcastle Trades Hall Council	-	2,264
Unions NSW	-	37,556
Sydney May Day Committee	-	500
Workers Health Center	-	1,523
	-	41,843
Note 5B Audit, Accountancy & Other Services		
Audit fees	28,481	61,500
Accountancy & Other Services	-	-
	28,481	61,500

NEW SOUTH WALES INDEPENDENT EDUCATION UNION

	2017	2016
	\$	\$
Note 5C Building Operating Cost		
Strata	112,604	91,448
Other	57,649	19,266
	170,252	110,714
 Note 5D Donations		
Cancer Council NSW	-	47
Edmund Rice Centre for Justice	-	500
Union Aid Abroad-apheda	-	290
Early Childhood Australia	-	500
Sydney Peace & Justice Coalition	-	200
Smith's Family	-	100
NSW Early Childhood Environmental Education Network	-	500
St Benedict Catholic Primary School	-	200
	-	2,337
 Note 6 Cash and Cash Equivalents		
Cash on hand	-	-
Cash at bank	2,208,592	2,222,801
Total cash and cash equivalents	2,208,592	2,222,801
 Cash at bank - Security Deposit(WBC)	-	3,000,000
Total Interest bearing deposits	-	3,000,000

NEW SOUTH WALES INDEPENDENT EDUCATION UNION

Note 7 Non Current Assets

Reconciliation of Opening and Closing Balances of Assets

	Land and Building	Motor Vehicles	Furniture and Fittings	Plant and Equipment	Computer software
Balance as at 1 January 2017	14,363,921	279,140	130,538	195,969	-
Gross book value	15,171,028	558,128	356,538	614,759	622,809
Accumulated depreciation and impairment	(807,107)	(278,988)	(226,000)	(418,790)	(622,809)
Net book value 1 January 2017	14,363,921	279,140	130,538	195,969	-
Additions:					
By purchase	17,961	38,202	33,275	26,177	-
From acquisition of entities	-	-	-	-	-
Revaluations	5,326,011	-	-	-	-
Impairments	-	-	-	-	-
Depreciation expense	(216,794)	(121,249)	(57,331)	(71,177)	-
Other movement:	-	-	-	-	-
Accumulated depreciation eliminated	1,023,902	48,608	2,446	46,027	-
Disposals:					
From disposal of entities	-	(49,517)	(3,035)	(48,642)	-
Other	-	-	-	-	-
Net book value 31 December 2017	20,515,000	195,184	105,893	148,354	-
Net book value as of 31 December represented by:					
Gross book value	20,515,000	546,813	386,778	592,294	622,809
Accumulated depreciation and impairment	-	(351,629)	(280,885)	(443,940)	(622,809)
Net book value 31 December 2017	20,515,000	195,184	105,893	148,354	-

NEW SOUTH WALES INDEPENDENT EDUCATION UNION

Note 7 Non Current Assets (continued)

The revalued land and buildings consist of:

Sydney office (Wattle Street)	16,500,000
Newcastle office	1,150,000
Parramatta office (Ross St)	1,635,000
Canberra (Office & Car Parks)	1,230,000
	<u>20,515,000</u>

Management determined that these constitute one class of asset under AASB 13, based on the nature, characteristics and risks of the property.

Fair value of the properties was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for the difference in the nature, location or condition of the specific property. As at the date of revaluation 30 June 2017, the properties' fair values are based on valuations performed by Colliers International, an accredited independent valuer.

	<u>2017</u>	<u>2016</u>
	\$	\$
Note 8 Accounts Payable		
Independent Education Union of Australia - New South Wales/ACT Branch	-	2,964,493
Trade Payable	<u>22,309</u>	<u>2,469</u>
	<u>22,309</u>	<u>2,966,962</u>
Note 9 Other taxes Payable/(refundable)		
ATO - GST	<u>(2,064)</u>	<u>5,125</u>
	<u>(2,064)</u>	<u>5,125</u>

NEW SOUTH WALES INDEPENDENT EDUCATION UNION

CERTIFICATE BY ACCOUNTING OFFICER OF A STATE ORGANISATION

[The provisions of section 510 (2) of the Industrial Relations Act 1991 and clause 59(1)(a) of the Industrial Relations Regulation 1992 apply as regulations under section 282(3) of the Industrial Relations Act 1996]

I, JOHN DAVID QUESSY, the accounting officer of

New South Wales Independent Education Union

hereby certify that to the best of knowledge and belief that:

there were 31,859 persons that were members of the organisation as at the end of the financial year ended 31 December 2017

and in my opinion:

- (i) the accounts show a true and fair view of the financial affairs of the organisation as at the end of the financial year; and
- (ii) a record has been kept of all money paid by, or collected from, members of the of organisation, and all money so paid or collected has been credited to the bank account or accounts to which the money is to be credited, in accordance with the rules of the organisation; and
- (iii) before any expenditure was incurred by the organisation, approval of the incurring of the expenditure was obtained in accordance with the rules of the organisation; and
- (iv) **[Please indicate whichever of the following statements is applicable]**
 - [X] no payment was made out of a fund referred to in clause 57 (b) (xiii) or (xv) of the Regulation for a purpose other than the purpose for which the fund was operated;
 - OR [] payment was made out of a fund referred to in clause 57(b)(xiii) or (xv) of the 1992 Regulation, as applied by section 282(3), for a purpose other than the purpose for which the fund was operated only when approved in accordance with the rules of the organisation; and
- (v) all loans or other financial benefits granted to persons holding office in the organisation were authorised in accordance with the rules of the organisation; and
- (vi) the register of members of the organisation was maintained in accordance with the Act. The number of members recorded at the end of the financial year was 31,859.


JOHN DAVID QUESSY

Dated: 6 April 2018

NEW SOUTH WALES INDEPENDENT EDUCATION UNION

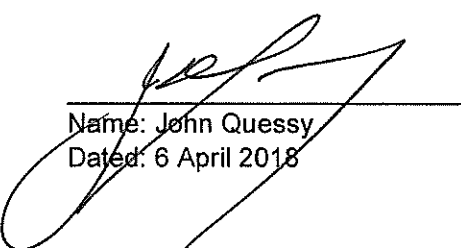
CERTIFICATE BY COMMITTEE OF MANAGEMENT OF A STATE ORGANISATION

[The provisions of section 510(2) of the Industrial Relations Act 1991 and clause 59(1)(b) of the Industrial Relations Regulation 1992 apply as regulations under section 282(3) of the Industrial Relations Act 1996]

We, the undersigned members of the committee of management of **New South Wales Independent Education Union**, hereby certify in respect of the financial year ended 31 December 2017 that:

- (i) in the opinion of the committee of management the accounts prepared show a true and fair view of the financial affairs of the organisation as at the end of the financial year to which they relate; and
- (ii) in the opinion of the committee of management, during the financial year to which the accounts relate, meetings of the committee of management were, in the opinion of the committee, held in accordance with the rules of the organisation; and
- (iii) to the knowledge of any member of the committee, there have not been, during the financial year to which the accounts relate, instances where records of the organisation or other documents (not being documents containing information made available to a member of the organisation under section 512 (2) of the 1991 Act, as applied by section 282(3) of the Industrial Relations Act 1996), or copies of those records or other documents, or copies of the rules of the organisation, have not been furnished, or made available, to members of the organisation in accordance with the Act, this Regulation or the rules of the organisation, 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, 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 organisation in relation to the matters to be stated in the certificate and is signed on behalf of the committee of management by at least 2 members of the committee.



Name: John Quessy
Dated: 6 April 2018



Name: Gloria Taylor
Dated: 6 April 2018

NEW SOUTH WALES INDEPENDENT EDUCATION UNION

STATEMENT OF PARTICULARS OF LOANS, GRANTS AND DONATIONS BY AN OFFICER OF AN ORGANISATION

[Section 280 of the Industrial Relations Act 1996 and clause 28
of the Industrial Relations (General) Regulation 2001]

I, JOHN DAVID QUESSY, General Secretary of

New South Wales Independent Education Union

state, in respect of the financial year of the organisation ended 31 December 2017

- [X] No loans, grant or donations of an amount exceeding \$1,000 were made by the abovenamed organisation during the financial year.
- OR [] Relevant particulars are lodged herewith in relation to each loan, grant or Donation of an amount exceeding \$1,000 which were made by the abovenamed organisation during the financial year.



.....
JOHN DAVID QUESSY

Dated: 6 April 2018

SUTHERLAND & COMPANY

Chartered Accountants
A.B.N. 47 783 046 638
ESTABLISHED 1957

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BURWOOD NSW 2134
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ALL CORRESPONDENCE TO:
P.O.BOX 423
BURWOOD NSW 1805

Independent Audit Report

To the members of the New South Wales Independent Education Union.

Report on the Financial Report

I have audited the financial report of the New South Wales Independent Education Union which comprises the statement of financial position as at 31 December 2017, the statement of comprehensive income and statement of changes in equity for the year ended 31 December 2017, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement, Accounting Policy and the Certificate by Committee of Management Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of New South Wales Independent Education Union as at 31 December 2017, 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 Industrial Relations Act 1991, is applied by relevant sections of the Industrial Relations Act 1996

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.

Responsibility for the Financial Report

The Committee of Management and the General Secretary of the New South Wales Independent Education Union are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Industrial Relations 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 skepticism 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 a Fellow of The Institute of Chartered Accountants in Australia and New Zealand with a current Public Practice Certificate.

Sutherland and Company, Chartered Accountants



D W Sutherland, AM JP BA - Economic & Financial Studies FCA
Registered Company Auditor 3835
Address: Suite 1, 4 Railway Parade, Burwood, NSW, 2134
Dated: 9 April 2018