

INDEPENDENT EDUCATION UNION
OF AUSTRALIA

*General Purpose Financial Report
For The Year Ended 31 December 2015*

INDEPENDENT EDUCATION UNION OF AUSTRALIA

FEDERAL EXECUTIVE'S STATEMENT (COMMITTEE OF MANAGEMENT STATEMENT)

for the period ended 31 December 2015

On the 23rd April, 2016 the Federal Executive of the Independent Education Union of Australia passed the following resolution in relation to the general purpose financial report (GPRF) for the year ended 31st December 2015:

The Federal Executive declares that in its opinion:

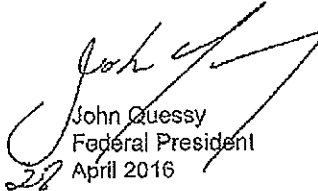
- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position 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 GPRF relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
 - (vi) No orders where made for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

(f) There were no recovery of wages activities during the financial year.

This declarallon was made in accordance with a resolution of the Federal Executive.

Signature:

For the Federal Executive:
Title of office held:
Dated:


John Guessey
Federal President
23 April 2016


Chris Watt
Federal Secretary
23 April 2016

INDEPENDENT EDUCATION UNION OF AUSTRALIA

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

2014 \$		NOTE	2015 \$
1,399,887	Revenue	3	1,395,737
(568,085)	Employee benefits expense -Office holders	12	(588,460)
(70,525)	- other employees	12	(165,140)
(1,994)	Depreciation and amortisation expense		(1,430)
<u>(888,722)</u>	Other Expense	3(a)	<u>(699,920)</u>
<u>(129,439)</u>	Surplus (Deficit) for the year		<u>(59,213)</u>

INDEPENDENT EDUCATION UNION OF AUSTRALIA

STATEMENT OF CHANGE IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

Statement of Change in Equity	General Account \$	Total \$
Balance of Equity at 31 December 2013	198,407	198,407
Net Surplus Attributable to the Entity 2014	(129,439)	(129,439)
Balance of Equity at 31 December 2014	<u>68,968</u>	<u>68,968</u>
Net Surplus Attributable to the Entity 2015	(59,213)	(59,213)
Balance of Equity at 31 December 2015	<u>9,755</u>	<u>9,755</u>

INDEPENDENT EDUCATION UNION OF AUSTRALIA

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015**

2014		2015
\$	Notes	\$
Current Assets		
137	Cash on Hand	200
172,798	Cash at Bank	226,746
107,321	Business Investment Account	160,503
120,254	Amounts Receivable	2,422
<u>400,510</u>	Total current assets	<u>389,872</u>
Non Current Assets		
21,624	Furniture & Equipment at cost	23,141
(17,475)	Less: Accumulated depreciation	(18,905)
<u>4,149</u>	Total Non Current Assets	<u>4,236</u>
<u>404,659</u>	Total Assets	<u>394,108</u>
Current Liabilities		
25,148	Accrued Expenses & Creditors	32,222
87,763	Provision for Annual Leave - Officers	83,686
193,124	Provision for Long Service Leave - Officers	219,320
5,763	Provision of Other Staff Leave Entitlements	17,646
23,893	GST Payable	31,478
<u>335,691</u>	Total current liabilities	<u>384,352</u>
<u>-</u>	Non Current Liabilities	<u>-</u>
<u>335,691</u>	Total Liabilities	<u>384,352</u>
<u>68,968</u>	Net Assets	<u>9,755</u>
Represented by:		
Members Funds		
198,407	Balance at beginning of Year	68,968
(129,439)	Surplus(Deficit) for the Year	(59,213)
<u>68,968</u>	Balance at End of Year	<u>9,755</u>

These financial statements should be read in conjunction with the attached notes.

INDEPENDENT EDUCATION UNION OF AUSTRALIA

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

2014		2015
\$		\$
-	Cashflows from Operating Activities	
1,385,658	Revenue from Operations	2,257
(1,500,347)	Inflows from Related Reporting Entities	1,654,493
36,241	Payments to Suppliers and Employees	(1,552,766)
<u>(78,448)</u>	Interest Received	<u>3,209</u>
	Total Cashflows from Operating Activities Note 6 (b)	<u>107,193</u>
	Cash Flows from Investing Activities	
<u>-</u>	Purchase of Plant & Equipment	<u>-</u>
-	Net Cash used in other activities	-
(78,448)	Net Increase (Decrease) in Cash Held	107,193
358,704	Cash at beginning of year	280,256
<u><u>280,256</u></u>	Cash at end of year	<u><u>387,449</u></u>

These financial statements should be read in conjunction with the attached notes.

INDEPENDENT EDUCATION UNION OF AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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, the Independent Education Union of Australia 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 are 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 Significant Accounting Judgements and Estimates

There has been no accounting assumptions or estimates identified that would indicate any significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.3 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.

The accounting policies adopted are consistent with those of the previous financial year except that the Branch has now adopted the accrual basis for membership fee income (previously recorded on a cash basis) this change has only a minor affect on this years financial statements.

The management consider that the carrying values as stated on the statement of Financial Position are a reasonable indication of their fair value at balance date.

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are not expected to have a future financial impact on Independent Education Union of Australia.

1.4 Capitation fees / levies and Member's Subscriptions.

Member's subscriptions are accounted for on an accruals basis, but only receipted subscriptions are recorded in the financial year due to the uncertainty of collectability of unpaid subscriptions at balance date

1.5 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 due 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 are measured as the present value of the estimated future cash outflows to be made by the reporting entity in respect of services provided by employees up to reporting date

1.6 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents included cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts.

Bank overdrafts are shown within short-term borrowings in current liabilities on the consolidated statement of financial position.

1.7 Borrowing costs

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1.8 Financial Instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Profit or Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition

1.9 Financial Assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit and loss, held-to-through profit and loss, held -to -maturity investments, available -for sale-financial assets and loans and receivables. The classification depends on the nature and purpose of the financial asset and is determined at the time of recognition.

Fair Value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- * it has been acquired principally for the purpose of selling it in the near term; or
- * on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit taking; or taking; or
- * it is a derivative that is not designated and effective as a hedging instrument

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- * such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- * the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- * it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Held -to- maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised costs using the effective interest method less any impairment

INDEPENDENT EDUCATION UNION OF AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Available-for-sale

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment of losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for sale monetary assets denominated in a foreign currency is determined in that the foreign currency and translated at the spot rate at the end of the reporting period. The foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of the interest would be immaterial.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1.10 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- * it has been acquired principally for the purpose of repurchasing it in the near term; or
- * on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit managers together and has a recent actual patterns of short-term profit-taking; or
- * it is a derivative that is not designated and effective as a hedging instrument

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- * such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- * the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- * it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised costs using the effective interest method, with interest expense recognised on an effective yield basis.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

INDEPENDENT EDUCATION UNION OF AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1.11 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:

Plant and equipment	4-5 years
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INDEPENDENT EDUCATION UNION OF AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1.12 Taxation

Independent Education Union of Australia 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.

1.13 Fair Value Measurement

The Branch measures financial instruments, such as, financial assets as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised costs are disclosed in Note 14.

Fair value is the price that would be received to sell an asset or paid to transfer 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 Branch. 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 best interest.

A fair value measurement of a non financial asset takes into account a market participants 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 best use.

The management consider that the carrying values as stated on the Statement of Financial Position are a reasonable indication of their Fair Value at balance date

NOTE 2 - INFORMATION TO BE PROVIDED TO MEMBERS OR THE GENERAL MANAGER OF FAIR WORK COMMISSION

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions subsection (1) of (3) of Section 272 , which indicates as follows:

- (1) A member of the reporting unit, or the general manager of Fair Work Commission, 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) The reporting unit must comply with an application made under subsection (1).

INDEPENDENT EDUCATION UNION OF AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 3 - REVENUE	Note	2015 \$	2014 \$
Operating activities			
- Capitation Fees	11(b)	1,123,670	1,107,596
- Other revenue from operating activities		266,667	256,050
		<u>1,390,337</u>	<u>1,363,646</u>
Non-operating activities			
- Interest received		3,143	3,521
- Net Gain on sale of Building			
- Other revenue from non-operating activities/Investment Income		2,257	32,720
		<u>5,400</u>	<u>36,241</u>
Total Revenue		<u>1,395,737</u>	<u>1,399,887</u>

NOTE 3(a) - PROFIT

Other Expenses			
- Affiliation Fees & Levies -ACTU		265,260	281,604
International - Education International		160,960	164,643
Other		-	1,800
- Administration/Other Costs/Payroll Tax		41,822	69,094
- Campaign & Project Costs		25,000	6,215
- Conference, meeting & travel costs		118,175	106,942
- Meeting - Executive Council		22,075	13,749
- Communication & Website Costs		12,120	16,250
- Donations		12,000	38,030
- Office Rent & Associated Costs		38,876	36,251
- Remuneration of Auditor		3,630	4,720
- Prior year costs		-	149,424
Total Expenses		<u>699,920</u>	<u>888,722</u>

NOTE 3(b) - OTHER EXPENSES (Disclosure required by Fair work Commission)

	\$	\$
- Grants made under \$1000	-	-
- Grants made over \$1000	-	-
- Consideration to employers for payroll deductions (or payables)	-	-
- Compulsory Levies	-	-
- Legal Costs - Litigation	-	-
- Other	-	9,350
- Penalties - via RO ACT or RO Regulations	-	-
- Donations made over \$1000 - Education International	2,000	-
- Union Aid Abroad (Earthquake)	10,000	15,000
- Others	-	13,030
- Donations made under \$1000	-	-

INDEPENDENT EDUCATION UNION OF AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 3(c) - OTHER DISCLOSURE REQUIREMENTS

- There were no outstanding liabilities at Balance Date for any legal matters
- No Capitation fees were received during the year
- No donations were received during the year
- There are no agreed going concern financial support received or paid to another reporting unit
- There were no assets or liabilities acquired as a result of an amalgamation or restructure.
- No entrance fees were paid or received during the year.
- There have been no financial support from another reporting unit (other than reported in Note 13)
- There were no compulsory levies paid during the year.
- There were no fees or allowances paid to office - holders for attendance at meetings, (other than their normal salary etc)
- There are no accounts or investments held in respect of compulsory levies or voluntary contributions (as none collected)
- There has been no administration of financial affairs by a third party.

NOTE 4 TRADE AND OTHER RECEIVABLES

	2015	2014
	\$	\$
Sundry Debtors & Membership fees receivable	165	-
General Debtors	2,257	-
Amounting owing from other reporting Unit(s)	-	120,254
Total Receivables	<u>2,422</u>	<u>120,254</u>

INDEPENDENT EDUCATION UNION OF AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 5 - PLANT & EQUIPMENT

	2,015	2,014
	\$	\$
Furniture & Fittings @ Cost	9546	9546
Accumulated Depreciaton	(7,973)	(7,639)
	<u>1,573</u>	<u>1,907</u>
Office Equipment @ Cost	13,596	12,078
Accumulated Depreciaton	(10,932)	(9,836)
	<u>2,664</u>	<u>2,242</u>
Total of Net Plant & Equipment	<u><u>4,237</u></u>	<u><u>4,149</u></u>

Reconciliation of the opening and closing balances of office furniture & equipment

	Office Furniture & Fittings	Office Equipment
Beginning of Year	4,149	6,143
Additions/Revaluation	1,518	-
Depreciation/Impairments	(1,430)	(1,994)
Disposals	-	-
Balance at end of Year	<u><u>4,237</u></u>	<u><u>4,149</u></u>

NOTE 6 - CASH FLOW INFORMATION

(a) Reconciliation of Cash	2015	2014
	\$	\$
Cash on hand	200	137
Cash at bank	226,746	172,798
Term Deposit	160,503	107,321
	<u><u>387,449</u></u>	<u><u>280,119</u></u>
(b) Reconciliation of Cash Flows from Operations	2015	2014
	\$	\$
Operating surplus/(deficit)	(59,213)	(129,439)
Add Back Non-Cash Items		
Depreciation of Equipment & furniture	1,430	1,994
Increase/(decrease) in provisions	32,485	50974
Total Non-Cash Items	<u><u>33,915</u></u>	<u><u>52,968</u></u>
Changes in Assets & Liabilities		
Decrease/(Increase) in Debtors & Prepayments	117,831	22,623
Increase(decrease) in GST payable	7,585	156
Increase(decrease) in Creditors	7,074	(24,756)
Cash Flows from Operations	<u><u>107,193</u></u>	<u><u>(25,480)</u></u>

INDEPENDENT EDUCATION UNION OF AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 7- PROVISION FOR STAFF LEAVE ENTITLEMENTS	2015	2014
	\$	\$
Current Liabilities		
<i>General Staff</i>		
Provision for Annual Leave	14,334	5,763
Provision for Long Service Leave	3,312	2,779
Provision for other staff leave entitlements	-	-
Liability for other Staff Provisions	-	-
Total	<u>17,646</u>	<u>8,542</u>
<i>Office Holder</i>		
Provision for Annual Leave	83,686	87,763
Provision for Long Service Leave	219,320	190,345
Liability for Separation/redundancies	-	-
Liability for other Staff Provisions	-	-
Total	<u>303,006</u>	<u>278,108</u>
TOTAL CURRENT STAFF LEAVE ENTITLEMENTS	<u>320,652</u>	<u>286,650</u>
Non Current Liability		
Provision for Long Service Leave -General Staff	-	-
Provision for Long Service Leave - Office Holders	-	-
NOTE 8- RETAINED EARNINGS		
Retained Earnings at the beginning of the financial year	68,968	198,407
Net Surplus Attributable to the association	(59,213)	(129,439)
Retained Earnings at the end of the financial year	<u>9,755</u>	<u>68,968</u>

INDEPENDENT EDUCATION UNION OF AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 9-KEY MANAGEMENT PERSONNEL REMUNERATION

	2015	2014
Short - term employee benefits	\$	\$
Salary (including annual leave taken)	495,175	459,874
Annual leave accrued	(4,077)	25,657
Performance bonus	-	-
Total short-term employee benefits	<u>491,098</u>	<u>485,531</u>
Post - employment benefits:		
Superannuation	68,387	63,061
Total post - employment benefits	<u>68,387</u>	<u>63,061</u>
Other long - term benefits		
Long - service leave (accrued)	20,196	19,553
Total other long - term benefits	<u>20,196</u>	<u>19,553</u>
Total Remuneration to Key Management Personnel	<u>585,681</u>	<u>568,145</u>

NOTE 10 -TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL AND THEIR CLOSE FAMILY MEMBERS

There were no loans or other transactions between the reporting entity & it's key management employee during the reporting period

	2015	2014
NOTE 11 -REMUNERATION OF AUDITORS	\$	\$
Values of the services provide		
Financial statement audit services	3,630	4,720
Other services- FBT returns	220	250
Total remuneration of auditors	<u>3,850</u>	<u>4,970</u>

NOTE 12 -EMPLOYEE EXPENSES

Holders of Office		
Wages & Salaries	417,485	391,698
Superannuation	68,387	63,001
Leave & other entitlements	102,588	113,386
Separation & Redundancies	-	-
Other Employee expenses	-	-
Subtotal Office Holder Employee Expenses	<u>588,460</u>	<u>568,085</u>
Employee other than office holders		
Wages & Salaries	114,904	53,134
Superannuation	18,952	7,839
Leave & other entitlements	31,284	9,552
Separation & Redundancies	-	-
Other employee expenses	-	-
Subtotal of non office holder employee expenses	<u>165,140</u>	<u>70,525</u>
Total Employee Expenses	<u>753,600</u>	<u>638,610</u>

INDEPENDENT EDUCATION UNION OF AUSTRALIA

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Note 13 RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions unless otherwise stated.

Transactions with related parties - State Branches of the Independent Education Union

- Income from State Branches - Cash Basis

Branches	Capitation fees	ACTU Levy
VIC/TAS	286,840	70,549
QLD/NT	249,120	59,208
WA	72,540	17,240

Reimbursement of Various Expenses from Branch's not included.

Capitation Fees Charged to Branches & Associated Entities (Accrual basis)

Branches	Capitation fees (Net of GST)	ACTU Lev	Amounts Owing from Branches - 30/06/15
- NSW/ACT	449,568	106,848	205
- VIC/TAS	296,840	70,549	-
- S.A	55,603	13,215	-
- W.A	72,539	17,240	-
- QLD	249,120	59,208	932
	1,123,670	267,060	1,137

Note 14 -FINANCIAL RISK MANAGEMENT

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

The main risks arising from the Branch's financial instruments are liquidity risk, credit risk and market price risk. The Branch does not use derivative instruments to manage risks associated with its financial instruments.

The Branch Council have overall responsibility for risk management, including risks associated with financial instruments.

This note presents, information about the Branch's exposure to liquidity, credit and market price risk, and its objectives, policies and processes for measuring and managing risk.

INDEPENDENT EDUCATION UNION OF AUSTRALIA

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Liquidity Risk

Liquidity risk is the risk that the Branch will not be able to fund its obligations as they fall due.

The following are the contractual maturities of financial assets and liabilities

WITHIN 1 YEAR		1 to 5	YEARS	Over 5 Years		TOTAL	
2015	2014	2014	2014	2015	2014	2015	2014
\$	\$	\$	\$	\$	\$	\$	\$

Financial Liabilities Due For Payment

Trade & other payables (including estimated annual leave and deferred income)	384,353	335,735	-	-	-	-	384,353	335,735
	384,353	335,735		-			384,353	335,735

Cash and Cash Equivalents	387,449	280,257	-	-	-	-	387,449	280,257
Trade and other receivables	2,422	120,254	-	-	-	-	2,422	120,254
Total anticipated inflows	389,871	400,511					389,871	400,511
Net inflow on financial instruments	5,518	64,776					5,518	64,776

Credit Risk

Credit risk is the risk of financial loss to the Branch if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Exposure to Credit Risk

The carrying amount of the Branch's financial assets best represents its maximum credit risk exposure. The Branch's maximum exposure to credit risk \$389,871

HOUSTON & HANNA
CHARTERED ACCOUNTANT

K D Hanna FCA (Principal)

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(02) 6248 8175

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Suite 15, George Turner Offices

11 McKay Gardens, Turner ACT

email: kim@khanna.com.au

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
THE INDEPENDANT EDUCATION UNION OF AUSTRALIA
FOR THE YEAR ENDED 31 DECEMBER 2015**

I have audited the general purpose financial report, comprising the Income Statement, Statement of Financial Position, Statement of Change in Equity, Cashflow Statement, Committee of Management Statement and accompanying Notes of the Independent Education Union of Australia, in respect of the year ended 31 December 2015 and received all the information and explanations I required for the purposes of my audit.

Scope

The Executive Committee is responsible for the preparation and presentation of the financial reports and the information contained therein. I have conducted an independent audit of the financial reports in order to express an opinion on them to the members.

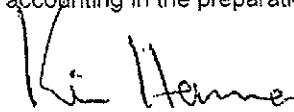
My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards and Statutory requirements so as to present a view of the Independent Education Union of Australia which is consistent with my understanding of its financial position and the results of its operations.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion.

In my opinion,

- (i) There were kept by the Organisation in respect of the year satisfactory accounting records detailing the sources and nature of the income of the Organisation (including income from members) and the nature and purpose of expenditure:
- (ii) The general purpose financial report is presented fairly in accordance with relevant Australian Accounting Standards and the requirements imposed the Fair Work (Registered Organisations) ACT 2009 ,
- (iii) That the branch has not being involved with recovery of wages activities during the year.
- (iv) That the management's use of the going concern basis of accounting in the preparation of the financial statement is appropriate.



Kim Hanna FCA
Registered Company Auditor (341)

Date: 28/4/16

INDEPENDENT EDUCATION UNION OF AUSTRALIA
OPERATING REPORT

for the period ended 31st December 2015

The committee presents its report on the reporting unit for the financial year ended 31st December 2015.

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

Principal Activities

- (1) Support and advice to branches regarding political, industrial, legal and professional agendas. Ensuring ongoing advice to them on the Federal Government's industrial legislation.
- (2) Representation of the industrial and professional interests of the members in a broad range of federal spheres. This includes the ACTU and its committees; participation in forums on educational and professional issues of relevance to IEU members; representation to Government Ministers and Shadow Ministers on government policies relevant to the professional and industrial interests of our members; representation of the Union's interests at the Fair Work Commission in relation to rules matters and the defence of members' industrial rights in industrial disputes.
- (3) Submissions to national inquiries on school funding, educational, industrial and human rights issues relevant to the membership and the broader community. Appearance before such inquiries on behalf of the Union and its membership and participation in the public debate on these matters.
- (4) Research in relevant areas of public policy such as the funding of schooling, industrial, legal and constitutional matters, educational issues, and human rights concerns to inform our own policy development. Oversight of the comparative salaries and conditions of various categories of staff in non-government schools across the jurisdictions. Monitoring of Fair Work decisions and decisions from other jurisdictions.
- (5) Protection and carriage of the Union's Rules.
- (6) Negotiation and prosecution of claims for improved salaries and conditions for workers on Federal Awards through Fair Pay Commission processes.

Results of these Activities

- (1) Sustained membership of the Union's Branches
- (2) A proactive membership industrially and professionally
- (3) Continued public profile of the Union on behalf of teachers and support staff in non-government education
- (4) Improvements in the industrial and professional conditions of the membership.

Significant Changes in the Nature of these Activities

- (1) There have been no significant changes in the nature of these activities over the past year

Significant changes in financial affairs

- (1) There have been no significant changes in the financial activities over the past year.

Right of members to resign

A member may resign from the Union in accord with Rule 21.

21 - RESIGNATION FROM MEMBERSHIP

- (a) A member of the Union may resign from membership by written notice addressed and delivered to the relevant Branch Secretary.
- (b) A notice of resignation from membership takes effect:
- (i) Where the member ceases to be eligible to become a member of the Union.
- (A) on the day on which the notice is received by the Union; or
- (B) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;
- whichever is later; or
- (ii) in any other case:
- (A) at the end of two weeks after the notice is received by the organisation; or
- (B) on the day specified in the notice;
- whichever is the later.
- (c) Any dues payable and not paid by a former member in relation to a period before the member's resignation from the organisation took effect, may be sued for and recovered in the name of the Union, in a court of competent jurisdiction, as a debt due to the Union.
- (d) A notice delivered to the person mentioned in subclause (a) shall be taken to have been received by the Union when it was delivered.
- (e) A notice of resignation that has been received by the Union is not invalid because it was not addressed and delivered in accordance with Subclause (a).
- (f) A resignation from membership of the Union is valid even if it is not effected in accordance with this section if the member is informed in writing by or on behalf of the Union that the resignation has been accepted.

Officers & employees who are superannuation fund trustee(s) (including position details) or director of a company that is a superannuation fund trustee

Debra James	Federal Vice President, Secretary IEUA Victoria Tasmania Branch – Director of Catholic Superannuation Fund
Cathy Hickey	Federal Council member - Director NGS Super Fund
John Connors	Member IEUA Victoria Tasmania Branch Committee of Management – Director Catholic Superannuation Fund
Terry Burke	Federal Deputy President, Secretary IEUA QNT Branch – Director QIEC Pty. Ltd. the Corporate Trustee of QIEC Super
John Spriggs	Federal Council member, Senior Industrial Officer IEUA QNT Branch - Director QIEC Pty. Ltd., the Corporate Trustee of QIEC Super
Chris Seymour	Organiser IEUA QNT Branch – Alternate Director QIEC Pty. Ltd. the Corporate Trustee of QIEC Super
Greg McGhie	Organiser IEUA QNT Branch – Director QIEC Pty. Ltd. the Corporate Trustee of QIEC Super
Glen Seidel	Federal Executive member, Secretary IEU(SA) Branch – Director NGS Super Fund
Gloria Taylor	Federal Executive member, Deputy Secretary IEUA NSWACT Branch – Director NGS Super Fund
John Quessy	Federal President, Secretary IEUA NSWACT Branch – Alternate Director NGS Super Fund
Christine Wilkinson	President IEUA NSWACT Branch –Director NGS Super Fund
Theresa Howe	Secretary IEUA WA Branch- Director Concept One The Industry Superannuation Fund (resigned 30 June 2015)
Angela Briant	Assistant Secretary IEUA Victoria Tasmania Branch (resigned 17 May 2015) Director TasPlan Superannuation Fund (Resigned 17 October 2015) Secretary IEUA WA (from 1 July 2015) – Director Concept The Industry Superannuation Fund (From 18 October 2015)
Bernadette Baker	Federal Council member, teacher – Director Australian Catholic Superannuation Retirement Fund
Helen Spry	Member IEUA NSWACT Branch – Alternate Director NGS Super Fund

Number of members

There were 76 403 members on the register of members on 31st December 2015.

Number of employees

As at 31 December 2015 the number of employees employed on a full-time equivalent basis was 4.5 FTE.

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

The following persons are on the Federal Executive of the Union. The period of time during the reporting period for which they have held their position is indicated.

Chris Watt	Federal Secretary	12 months
Christine Cooper	Assistant Federal Secretary	12 months
Anthony Odgers	Assistant Federal Secretary	12 months
John Quessy	President	12 months
Terry Burke	Deputy President	12 months
Deb James	Vice President	12 months
Glen Seidel	Vice President	12 months
Theresa Howe	Delegate	6 months
Angela Briant	Delegate	6 months
Gloria Taylor	Delegate	12 months

Officers & employees who are directors of a company or a member of a board

Christine Cooper Director Teachers Union Health Fund Ltd

Principal activity: Health Insurance

The officer does not hold the position because they are an officer or employee of the reporting unit or were nominated for the position by the reporting unit or by a peak council.

Theresa Howe (30 June 2015)

Director Employment Law Centre of WA Inc

Principal activity: Legal services

The officer does not hold the position because they are an officer or employee of the reporting unit or were nominated for the position by the reporting unit or by a peak council.

Director Community Services Health and Education Training Council Inc

Principal activity: Advice to Ministers on workforce requirements and industry qualifications

The officer does not hold the position because they are an officer or employee of the reporting unit or were nominated for the position by the reporting unit or by a peak council.

Terry Burke

Director The Private Capital Group Pty Ltd.

Principal activity: Infrastructure Investment

The officer does not hold the position because they are an officer or employee of the reporting unit or were nominated for the position by the reporting unit or by a peak council.

Director Teachers Union Health Fund Ltd

Principal activity: Health Insurance

The officer does not hold the position because they are an officer or employee of the reporting unit or were nominated for the position by the reporting unit or by a peak council.

Director TIF International 1 Pty Ltd.

Principal activity: Infrastructure Investment

The officer does not hold the position because they are an officer or employee of the reporting unit or were nominated for the position by the reporting unit or by a peak council.

Glen Seidel

Director NGS Financial Services and NGS Financial Planning.

Principal activity: Financial advice

The officer does not hold the position because they are an officer or employee of the reporting unit or were nominated for the position by the reporting unit or by a peak council.

Loretta Cotter

Director Teacher Learning Network

Principal Activity: Teacher professional development

The officer does not hold the position because they are an officer or employee of the reporting unit or were nominated for the position by the reporting unit or by a peak council.

Debra James

Director Teacher Learning Network

Principal Activity: Teacher professional development

The officer does not hold the position because they are an officer or employee of the reporting unit or were nominated for the position by the reporting unit or by a peak council.

Director Federation Education Unions

Principal Activity: Administer the common properties and the assets for the benefit of the owners.

Angela Briant

Director Tasmanian Growth and Development Fund Pty Ltd
Principal Activity: Financial Investments (resigned May 2015)

The officer does not hold the position because they are an officer or employee of the reporting unit or were nominated for the position by the reporting unit or by a peak council.

Director The Children's Book Council of Australia
Principal Activity: Promoting children's literature

The officer does not hold the position because they are an officer or employee of the reporting unit or were nominated for the position by the reporting unit or by a peak council.

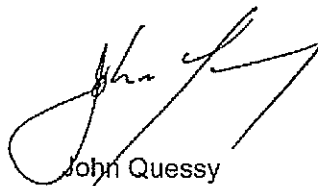
Director Lu Rees Archives of Australian Children's Literature Inc
Principal Activity: enhance appreciation of Australian children's Literature (Resigned August 2015)

The officer does not hold the position because they are an officer or employee of the reporting unit or were nominated for the position by the reporting unit or by a peak council.

The Operating Report for the period ended 31st December 2015 was prepared by Chris Watt, Federal Secretary

Signature:

For Federal Executive:



John Quessy



Chris Watt

Title of office held:

Federal President

Federal Secretary

Dated:

28 April . 2016

28 APRIL 2016