

**QUEENSLAND INDEPENDENT EDUCATION  
UNION**

**GENERAL PURPOSE  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 AUGUST 2008**

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**QUEENSLAND INDEPENDENT EDUCATION UNION**  
**STATEMENT OF INCOME**  
**FOR THE YEAR ENDED 31 AUGUST 2008**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>INCOME</b>		
Subscriptions	5868404	5645063
Interest Received	69918	31061
Advertising	36993	15439
Miscellaneous	86708	73296
Rent Received	242667	198191
Employee Contribution – Vehicle Expenses	36303	37400
Sponsorship - QIEU Right to Work Training Conference	-	<u>12932</u>
	<u>6340993</u>	<u>6013382</u>
<b>LESS EXPENDITURE</b>		
Advertising	13883	11710
Audit Fees	7027	9445
Amortisation/Depreciation	212392	147107
Bank Charges	48368	46459
Branch Costs	15723	31503
Building Costs	129343	142388
Bursaries and Prizes	2516	10305
Affiliation and Capitation	312051	299109
Cleaning	48244	47010
Commission – Subscription Collection	52342	57325
Committee and Council Meetings	26203	17184
Communication Expenses	110183	116081
Cost of Newsletter	160904	134481
Donation	-	4850
Electricity and Rates	54613	53221
Fringe Benefits Tax	17927	(7251)
Industrial Campaign Expenses	8514	108234
Insurance	163164	206636
Interest – Bank	36176	42534
Interest – Finance Leases	18102	15542
Legal Expenses	101987	145467
Loss on Disposal - Non Current Assets	7577	-
Building Union Strength	11359	54082
Member Information Services	17587	18887
Petty Cash and Sundry Expenses	31229	21065
Postage	138140	153732
Rent – Office Equipment	51843	56618
Rent –Townsville Office	21792	21657
Expenses – Bundaberg Office	10696	8188
Repairs & Maintenance	71197	102310
Salaries and Wages - Officers	1811721	1757192
- Clerical	840066	821016
Payroll Tax	128527	116664
Printing and Stationery	168868	177947
Subscriptions	28736	36716
Superannuation	327853	337752
Staff Training	25106	60352
Travelling and Accommodation	118984	116738
Work Cover	13094	6843

**QUEENSLAND INDEPENDENT EDUCATION UNION**  
**STATEMENT OF INCOME**  
**FOR THE YEAR ENDED 31 AUGUST 2008**

**(Continued)**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
Software Costs	40151	30865
Seminars	-	624
Vehicle Expenses	68101	78586
Soiree Expenses	4147	3996
Provision for Employee Entitlements - Officers	(6039)	64305
- Clerical	(3451)	11337
Research	9506	-
	<u>5476452</u>	<u>5696812</u>
NET SURPLUS/ (DEFICIT) FOR THE YEAR	<u>864541</u>	<u>316570</u>

**QUEENSLAND INDEPENDENT EDUCATION UNION**  
**BALANCE SHEET**  
**AS AT 31 AUGUST 2008**

**NOTES**      **2008**      **2007**  
**\$**                      **\$**

**ACCUMULATED FUNDS**

Retained Earnings	2269286	1404745
Asset Revaluation Reserve	<u>2293730</u>	<u>2293730</u>
	<u>4563016</u>	<u>3698475</u>

Represented By:

**CURRENT ASSETS**

Cash on Hand	339	435
Cash at Bank	1011075	395144
Prepayments	145728	141762
Sundry Debtors	27173	4955
Subscriptions Receivable	38000	51334
Loan – IEUA QNT Branch	<u>92439</u>	<u>-</u>
	1314754	593630

**NON-CURRENT ASSETS**

Property, Plant & Equipment	<b>2</b>	5152860	5160324
Other Financial Assets	<b>3</b>	<u>60000</u>	<u>60000</u>
		5212860	5220324

**TOTAL ASSETS**

6527614 5813954

**CURRENT LIABILITIES**

Bank Loans	<b>9</b>	-	20000
Lease Liability	<b>6</b>	112591	168445
Sundry Creditors and Accruals		185613	266156
Subscriptions Paid in Advance		525634	437607
Provision For Employee Entitlements		346274	352155
GST Payable		<u>34627</u>	<u>32237</u>
		1204739	1276600

**NON-CURRENT LIABILITIES**

Lease Liability	<b>6</b>	61886	33924
Bank Loans	<b>9</b>	300000	400000
Provision – Employee Entitlements		<u>397973</u>	<u>404955</u>
		759859	838879

**TOTAL LIABILITIES**

1964598 2115479

**NET ASSETS**

4563016 3698475

**QUEENSLAND INDEPENDENT EDUCATION UNION**  
**STATEMENT OF RECOGNISED INCOME AND EXPENSE**  
**YEAR ENDED 31 AUGUST 2008**

	<b>Retained Earnings \$</b>	<b>Asset Revaluation Reserve \$</b>	<b>Total \$</b>
Balance 1 September 2006	1088175	866642	1954817
Net Surplus for Year	316570	-	316570
Revaluation Increment	<u>          -</u>	<u>1427088</u>	<u>1427088</u>
Balance 31 August 2007	1404745	2293730	3698475
Net Surplus for Year	<u>  864541</u>	<u>          -</u>	<u>  864541</u>
<b>Balance 31 August 2008</b>	<b><u>  2269286</u></b>	<b><u>  2293730</u></b>	<b><u>  4563016</u></b>

**QUEENSLAND INDEPENDENT EDUCATION UNION**  
**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 AUGUST 2008**

	NOTE	2008 \$	2007 \$
<b>Cash Flows From Operating Activities</b>			
Receipts – subscriptions received		5969765	5663561
Other income		380453	337258
Payments to suppliers and employees		<u>(5389626)</u>	<u>(5249250)</u>
		960592	751569
Interest received		69918	31061
Interest paid		<u>(54278)</u>	<u>(58076)</u>
Net cash inflow from operating activities	5	976232	724554
<b>Cash Flows From Investing Activities</b>			
Payments for building additions		-	(12856)
Payments for purchase of plant and equipment		<u>(212505)</u>	<u>(210988)</u>
Net cash inflow/(outflow) from investing activities		(212505)	(223844)
<b>Cash Flow From Financial Activities</b>			
Movement of lease liability and loans		<u>(147892)</u>	<u>(256527)</u>
Net cash inflow/(outflow) from financing activities		<u>(147892)</u>	<u>(256527)</u>
Net (decrease)/increase in cash held		615835	244183
Cash at the beginning of the financial year		<u>395579</u>	<u>151396</u>
Cash at the end of the financial year		<u>1011414</u>	<u>395579</u>

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2008**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The general purpose financial report has been prepared in accordance with Australian Accounting Standards, other mandatory professional reporting requirements and The Queensland Industrial Relations Act 1999. The accounts are prepared in accordance with the historical cost convention. The accounting policies adopted are consistent with those of the previous year.

**(a) Depreciation**

Depreciation is calculated on a declining balance basis so as to write off the full net cost of each depreciable non-current asset over its expected useful life.

**(b) Employee Entitlements**

The amounts expected to be paid to employees for their pro-rata entitlements of long service and annual leave are accrued annually at current pay rates having regard to experience of employee's departures and period of service.

**(c) Cash**

For purposes of the statement of cash flows, cash includes deposits at call which are readily convertible to cash on hand and are used in the cash management function on a day to day basis, net of outstanding bank overdrafts.

**(d) Income Tax**

The association is exempt from income tax under section 50-15 of the Income Tax Assessment Act, 1997.

**(e) Leased non-current assets**

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incident to ownership of leased non-current assets (finance leases), and operating leases under which the lessor effectively retains substantially all such risks and benefits. Finance leases are capitalised. A lease asset and liability are established at the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the interest expense.

The lease asset is amortised in a straight line basis over the term of the lease, or where it is likely that the economic entity will obtain ownership of the asset, the life of the asset.

Operating lease payments are charged to the profit and loss account in the periods in which they are incurred as this represents the pattern of benefits derived from the leased assets.

**QUEENSLAND INDEPENDENT EDUCATION UNION**

**NOTES TO AND FORMING PART OF THE ACCOUNTS**

**FOR THE YEAR ENDED 31 AUGUST 2008**  
**(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(f) Recoverable amount of non-current assets**

The recoverable amount of an asset is the net amount expected to be recovered through the net cash inflows arising from its continued use and subsequent disposal.

Where the carrying amount of a non-current asset is greater than its recoverable amount the asset is revalued to its recoverable amount.

The expected net cash flows included in determining recoverable amounts of non-current assets are not discounted to their present values.

**2. PROPERTY, PLANT AND EQUIPMENT**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
Land and building – at independent valuation	4675000	4675000
Building at Cost	12856	12856
Plant, equipment and vehicles – at cost	1231034	870734
Less: accumulated depreciation	<u>(962273)</u>	<u>(643279)</u>
	4956617	4915311
Motor vehicles under finance lease	401988	487023
Less: accumulated amortisation	<u>(205745)</u>	<u>(242010)</u>
	<u>196243</u>	<u>245013</u>
	 <u>5152860</u>	 <u>5160324</u>

**3. OTHER FINANCIAL ASSETS**

Investment in non-listed Unit Trust – at cost	<u>60000</u>	<u>60000</u>
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**4. SUBSCRIPTION INCOME**

The subscription year ends on 31 December, 2008 whilst the accounts are prepared for the period ended 31 August, 2008. Consequently, approximately one third of the year's subscriptions have been carried forward to offset expenditure that will become due up to 31 December, 2008.

**5. RECONCILIATION OF EXCESS OF INCOME OVER EXPENDITURE TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
Excess of income over expenditure	864541	316570
Depreciation and amortisation	212392	147107
Loss on Disposal – Non Current Assets	7577	-
Change in operating assets and liabilities:		
Decrease/(increase) in receivables	(105289)	(8106)
Increase/(decrease) in sundry creditors	(78153)	126067
Increase/(decrease) in other operating liabilities	88027	77467
Increase/(decrease) in other provisions	<u>(12863)</u>	<u>65449</u>
Net cash inflow from operating activities	<u>976232</u>	<u>724554</u>

**6. LEASE COMMITMENTS**

Commitments in relation to finance leases are payable as follows:

Not later than one year	112591	168445
Later than one year but not later than two years	<u>61886</u>	<u>33924</u>
	<u>174477</u>	<u>202369</u>

**7. RELATED PARTIES**

(a) The persons holding positions as council members of the union during the year were as follows:

Terry Burke	Terry Frawley	John Kennedy
Christine Cooper (Part Year)	Ray Cloonan	Andrew Elphinstone
Christopher Chapman	Suzanne Burdon	Maria Heenan (Part Year)
Philip O'Brien	Tom Denham	Miriam Dunn
Andrew Stein	Ian Stevenson (Part Year)	Kerrod Bendall
Bryce Goldberg	Beverley Day	Timothy Devlin
Desmond McGovern	Lyn Byrnes	Ros McLennan
Lyn McGovern	Peter Lovegrove	Denyse Liddy
Bernadette Murray	John Vandenberg	Jocelyne Benoit
Pat Atkinson	Michael Moy	Denis Kettle
Paul Giles (Part Year)		

(b) Amounts received or due and receivable by council members in connection with the management of the union, including amounts paid to superannuation funds in connection with retirement of council members

<u>470249</u>	<u>379694</u>
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**QUEENSLAND INDEPENDENT EDUCATION UNION**

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2008**

(Continued)

The numbers of council members whose total income from the union was within the specific bands are as follows:

\$	2008	2007
0 – 10000	27	27
50000 - 100000	1	-
100000 - 150000	3	3

(c) Transactions with council members comprise payments by them of union fees on the same basis as other members of the union.

## 8. FINANCIAL REPORTING BY SEGMENTS

The association derives its income predominantly from fees levied to members. The association operates solely within Queensland.

## 9. BANK LOANS

	2008	2007
	\$	\$
Land and Buildings	<u>300000</u>	<u>420000</u>
Current Liabilities	-	20000
Non Current Liabilities	<u>300000</u>	<u>400000</u>
	<u>300000</u>	<u>420000</u>

Bank loans are secured by registered first mortgage over the organisation's Land and Buildings situated at Turbot Street, Brisbane.

## 10. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Queensland Industrial Relations Act, 1999, the attention of members is drawn to provisions of Sub-Sections (1), (2), (3), & (4) of Section 556 which reads as follows:

- (1) A member of an organisation, may apply to the organisation for information that it must, under a regulation, give its members.
- (2) An application may be made by the Registrar for a member.
- (3) The organisation must give the member, or if the Registrar applies for a member, the Registrar, the information applied for in the way prescribed under a regulation.
- (4) If the information is given to the Registrar, the Registrar must give the information to the member for whom the Registrar made the application.

## QUEENSLAND INDEPENDENT EDUCATION UNION

### NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2008

(Continued)

## 11. CAPITAL EXPENDITURE COMMITMENTS

There were no capital expenditure commitments contracted for at 31 August 2008.

## **12. SUBSEQUENT EVENTS**

No matters have arisen since the 31 August 2008 that would materially affect these financial statements.

### **QUEENSLAND INDEPENDENT EDUCATION UNION**

### **CERTIFICATION BY ACCOUNTING OFFICER OF UNION**

I, Paul Giles, being the Officer responsible for keeping the accounting records of the Queensland Independent Education Union certify that 14956 persons were financial and 1181 persons were unfinancial members of the Union at the end of the financial year to which the attached accounts relate.

I am of the opinion that in respect of the financial year to which this statement relates:

- 1 The attached accounts show a true and fair view of the financial affairs of the Union as at the end of the financial year;
- 2 A record has been kept of all moneys paid by, or collected from, members of the Union and all moneys paid or collected have been credited to the bank account or accounts to which those moneys are to be credited, in accordance with the rules of the Union;
- 3 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;
- 4 Any payments made from a special account for a purpose, other than the purpose for which the account was operated, was approved in accordance with the rules of the Union;
- 5 All loans or other financial benefits granted to persons holding office in the Union were authorised in accordance with the rules or the Union; and
- 6 The register of members of the Union was maintained in accordance with the Act.

.....  
PAUL GILES

, 2008

**QUEENSLAND INDEPENDENT EDUCATION UNION**

**CERTIFICATE BY COMMITTEE OF MANAGEMENT**

We, Paul Giles and Terence Burke, being two Members of the Committee of Management of the Queensland Independent Education Union, so state on behalf of the Committee of Management, in accordance with resolution passed by the committee of Management, that in the opinion of the Committee of Management:

- 1 The attached accounts of the Union show a true and fair view of the financial affairs of the Union as at the end of that financial year on 31 August, 2008;
- 2 The attached accounts were prepared in accordance with the Queensland Industrial Relations Act 1999;

- 3 The union was solvent during the whole of the financial year ended 31 August, 2008;
- 4 That 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 Union;
- 5 That to the knowledge of any members of the Committee there has been, during the financial year, no instance where records of the union or other documents (not being documented containing information available to a members under S.556 of the Act) or copies of those records, or other documents, or copies of the rules of the Union, have not been furnished, or made available, to members of the Union in accordance with the Act, these regulations or the rules as the case may be;
- 6 That in relation to the audit report and accounts for the Union's financial year immediately preceding the financial year to which these accounts relate:
  - (a) The audit report and accounts were presented to an annual general meeting of the union under section 565 of the Act.
  - (b) Copies of the Audit Report and Accounts were given to members of the Union under section 566 of the Act.

.....  
 PAUL GILES

.....  
 TERENCE BURKE

, 2008

**QUEENSLAND INDEPENDENT EDUCATION UNION**

**INDEPENDENT AUDIT REPORT**

To the members of the Queensland Independent Education Union

**Scope**

*The Financial Report and the Responsibility of Committee of Management and Accounting Officer.*

The financial report comprises the statement of income, balance sheet, statement of recognised income & expense, statement of cash flows, accompanying notes to the financial statements and the certificates of the committee of management and accounting officer for the year ended 31 August 2008.

The committee of management and accounting officer are responsible for the preparation and true and fair presentation of the financial report in accordance with the Queensland Industrial Relations Act 1999. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

### **Audit Approach**

We have conducted an independent audit in order to express an opinion to the members of the Union. Our Audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Queensland Industrial Relations Act 1999, including compliance with Accounting Standards and other mandatory professional reporting requirements in Australia, a view which is consistent with our understanding of the Union's financial position and its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- a) examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- b) assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Union and its accounting officer.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

## **QUEENSLAND INDEPENDENT EDUCATION UNION**

### **INDEPENDENT AUDIT REPORT** **(continued)**

#### **Independence**

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Queensland Industrial Relations Act 1999.

#### **Audit Opinion**

We, Morris & Batzloff have inspected and audited the accounting records kept by the Queensland Independent Education Union in respect of the year ended 31 August 2008, and we certify that in our opinion:

1. (i) There were kept by the Union in relation to the year satisfactory accounting records, including:
  - (a) records of source and nature of income of the Union (including income from members);
  - (b) records of the nature of and reason for and the expenditure of the Union; and
- (ii) The accounts for the year were properly drawn up so as to give a true and fair view of:
  - (a) the financial affairs of the Union as at the end of the year; and
  - (b) the income and expenditure, and surplus, of the Union for the year.
2. That information and explanations required of officers or employees of the union were provided.
3. The accounts were prepared under the Queensland Industrial Relations Act 1999.

.....  
Norman J Hoare  
Registered Company Auditor  
Morris & Batzloff  
Chartered Accountants

, 2008  
96 Lytton Road, East Brisbane