



# The Teachers' Guild of New South Wales General Purpose Financial Report

For the Financial Year Ending  
30 June 2021

**President: Dr Fred Osman**

**Treasurer: Mr Peter Green**

# Introduction

The enclosed financial report has been prepared in accordance with the requirements of applicable Australian Accounting Standards as they apply to a not-for-profit entity and the Fair Work (Registered Organisations) Act 2009 (the RO Act), including the 5<sup>th</sup> edition section 253 reporting guidelines.

## Australian Accounting Standards applicable as at 31 December 2019

This financial report illustrates Australian Accounting Standards which apply to annual reporting periods beginning on or after 1 July 2018.

## Allowed alternative treatments

In some cases, an Australian Accounting Standard permits more than one accounting treatment for a transaction or event. Preparers of the financial statements should select the treatment that is most relevant to their business and the relevant circumstances as their accounting policy.

AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* requires an entity to select and apply its accounting policies consistently for similar transactions, events and/or conditions, unless an Australian Accounting Standard specifically requires or permits categorisation of items for which different policies may be appropriate. Where an Australian Accounting Standard requires or permits such categorisation, an appropriate accounting policy is selected and applied consistently to each category. Therefore, once a choice of one of the alternative treatments has been made, it becomes an accounting policy and must be applied consistently. Changes in accounting policy should only be made if required by a standard or interpretation, or if the change results in the financial statements providing more reliable and relevant information.

## Abbreviations

The following abbreviations are used in the financial report:

AASB	Australian Accounting Standards Board
FBT	Fringe Benefits Tax
Council	The Council of the Teachers' Guild of New South Wales
GPFR	General Purpose Financial Report
Guild	Teachers' Guild of New South Wales
GST	Goods and Services Tax
RO Act	<i>Fair Work (Registered Organisations) Act 2009</i>
RO Regulations	<i>Fair Work (Registered Organisations) Regulations 2009</i>

**Financial Statements for the Financial Year 2020 to 2021**

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## Teachers' Guild of New South Wales

s.268 *Fair Work (Registered Organisations) Act 2009*

# Certification by the Treasurer

Certificate for the financial year ended 30 June 2021

*I Peter Green, being the Treasurer of the Teachers' Guild of New South Wales certify:*

- that the documents lodged herewith are copies of the full report for the *Teachers' Guild of New South Wales* for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the Guild via email on *Thursday 18 November 2021* and
- that the full report was presented to the Annual Meeting of members of the Guild on *Friday 26 November 2021* in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of Treasurer: ..... Name

of the Treasurer: Peter Charles Green

Dated: .....

**INDEPENDENT AUDIT REPORT TO THE  
MEMBERS OF  
THE TEACHERS' GUILD OF NEW SOUTH WALES**

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We have audited the accompanying financial report of The Teachers' Guild of New South Wales ("the guild"), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of cash flow and statement of changes in capital funds of the year then ended, notes comprising of summary significant accounting policies and other explanatory information and the committee's declaration.

Qualified Opinion

In our opinion, except for the effects, if any, of the matter described in the Basis of Qualified Opinion section of our report, the accompanying financial report of The Teachers' Guild of New South Wales is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commisison Act 2012*, including:

- i. giving a true and fair view of the financial position of the guild as at 30 June 2021 and of its performance and cash flows for the period then ended; and
- ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) to the extent described in Division 60 of the *Australian Charities and Not-for-profits Commisison Regulation 2013*.

Basis of Qualified Opinion

As this is our first-year appointment as auditors of the guild we have not audited the comparative figures to 30 June, 2020.

Tr ustee s' Responsibility for the Financial Report

The trustees of the trust are responsible for preparation and fair representation of the financial report in accordance with Australian Accounting Standards (Including Australian Accounting Interpretations) and the constitution and for such internal control as the trustee determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor 's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedure selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial report to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of entity's internal control. An audit also includes evaluating the appropriateness of accounting polices used and the reasonableness of accounting estimates made by the trustees, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Watkins Coffey Martin  
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Richard Watkins', written over a light blue horizontal line.

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Richard Watkins FCA | Partner

Dated this 12 November 2021

65 Hill Street Roseville NSW 2069

# Operating Report

The Council presents its operating report on the Guild for the financial year ending 30 June 2021

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

The Teachers' Guild of New South Wales is a professional organisation that has been in existence since 1892 and has a Council made up of educators across the New South Wales systems of education.

The Guild exists to promote and further the cause of education generally and to consider all questions affecting the status and interests of the teaching profession. It takes no part in matters of an industrial nature. Over the years the Guild characterised its core value as "The Care of Education". Without abandoning that essential concern, today the Guild's logo reads "Doceo ut discam: I teach, that I may learn", and seeks to express a commitment to continued professional learning.

As in 2020, the activities of the Guild were greatly curtailed by the Covid 19 pandemic, and the restrictions placed on Guild events by the NSW Government. Thankfully, it was possible to hold events early in 2021 and in particular, the GAFE Conference. The VET Conference was cancelled 24 hours before it was due to start though as so much work had been done to ensure the Conference would have been a success, the sponsors did not request a refund of the money that they had donated. While some events were cancelled others were able to be held online so that overall, a reasonable income stream was achieved though not as great as what was budgeted. For full details of the activities of the Guild, please see the President's Annual Report.

### **Significant changes in financial affairs**

Due to a reduction in events in the financial year 2020 to 2021, the income for the Guild was below expectation. The cost for the managerial and financial services provided by The Association Specialists (TAS) was \$27,465 which was an increase of over \$8,000. This was in part due to the addition of financial services from TAS that commenced in September 2020.

Sponsorship of events was significantly increased in the 2021 financial year which was very gratifying.

A very slightly better interest rate was achieved by moving the Guild's funds out of the Term Deposit Account and into the Guild's Savings Account though interest rates continue to be very low and not a major source of income for the Guild.

In 2001 TAS combined the income from all membership fees into the Membership subaccount – a total of \$8,041. The combined income from both membership fees and corporate membership fees in 2020 was \$12,045 and therefore there was a reduction in income from fees in the 2021 financial year of \$4,004. This can be attributed in part to the change from calendar year reporting of finances to financial year reporting of finances that occurred in 2020 when a one-off encouragement of the members to pay fees for 1 ½ years to help bring into line the renewal of memberships to more closely align with the financial year. Also, there was a slight

decrease in membership in the 2021 financial year which can be attributed to the pandemic and the resulting cancellation of many events in 2020 and 2021. It is expected that membership will increase in 2022 as the Guild has planned a wide range of events for members next year.

Overall, it was a mediocre financial year for the Guild as a loss of \$8,298 was incurred. This followed on from the previous year's loss of \$2,152. These losses can be attributed to the Covid 19 pandemic restrictions that were placed on New South Wales citizens and business.

## Membership as at 30 June 2021

<b>Membership type</b>	<b>Total</b>
Corporate 10 members	1
Corporate 6 members	8
Honorary Fellowship	31
Life members	14
Ordinary members	53
Student members	16
Retired members	3
<b>Total</b>	<b>126</b>

### Number of employees

Zero

## Names of Council Members

**President:** Dr Frederick Osman    **Councillor:** Mersini Perivolarellis    **Councillor:** Alex Wharton  
**Vice President:** Diane Fournaris    **Councillor:** April Bryson    **Councillor:** Tony Nolan  
**Vice President:** Patrick Nam    **Councillor:** Tom Mae    **Councillor:** Amy Ayres  
**Treasurer:** Peter Green    **Councillor:** Lauren Knussen    **Councillor:** Sharrda Shah  
**Past President:** Frances Fleeton

**Signature of Treasurer:**



**Name of Treasurer:**                      **Peter Green**

**Dated:**                                      **11 November 2021**



# The Teachers' Guild of New South Wales

## Council Statement

*for the financial year ended 30 June 2021*

On Friday 26 November 2021 the Council of The *Teachers Guild of New South Wales* passed the following resolution in relation to the General Purpose Financial Report (**GPFR**) for the financial year ended 30 June 2021:

The Council of The Teachers' Guild of New South Wales declares that in its opinion:

- a) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Guild for the financial year ended 30 June 2021;
- b) there are reasonable grounds to believe that the Guild will be able to pay its debts as and when they become due and payable; and
- c) during the calendar year to which the General Purpose Financial Report 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; and
  - ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation; and
  - iii. the financial records of the Guild have been kept and maintained in accordance with the Registered Organisation Act; and
  - iv. where information has been sought in any request by a member of the Guild or the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and
  - v. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

This declaration is made in accordance with a resolution of the Council.

**Signature of President:** .....

**Name of President:** Fred Osman

**Dated:** .....

**Signature of Treasurer:** .....

**Name of Treasurer:** Peter Green

**Dated:** .....

# Statement of Comprehensive Income

## The Teachers' Guild of New South Wales

### Profit and Loss

#### 1 July, 2020 to 30 June 2021

	2021	2020
	A\$	A\$
<b>Income</b>		
Event - Annual Dinner	490	7,200
Event – Fellows Dinner	(100)	200
Event - Council dinner	600	-
Event –COVID	247	-
Event – Awards information	-	15
Event – GAFE conference	6,237	3,126
Event – VET in Schools	4,918	4,751
Events - Minor	5,241	( 174)
Events – Philosophy of Science	-	( 257)
GAFE Sponsorship Income	1,000	-
Membership	8,041	10,695
Membership - Corporate	-	1,350
Sponsors	15,985	2,000
VET in Schools Sponsorship Income	500	-
Sponsors Annual Awards	-	2,000
Event – AGM	540	( 540)
<b>Total Income</b>	43,699	30,366
<b>Other Income</b>		
Interest Income	3,633	4,626
<b>Total Income and Other Income (Loss)</b>	47,332	34,992
<b>Expenses</b>		
Accounting and bookkeeping	120	-
Advertising and marketing	200	800
Annual Awards	6,525	6,125
Annual Golf Club Fee	773	140
ASIC	383	493
Audit fee	1,000	1,375
Bank charges and fees	852	470
Council Corporate Wear	-	1,276
Events – Venue expenses	1,614	-
Events – Council and Life Member Dinner	400	-
Events - Expenses	6,127	-
GAFE Catering Expenses	3,222	-
GAFE Speaker Gifts	515	60
GAFE Stationery Expenses	87	-
Guild on the Road		510
Insurance	1,664	1,565
Management and Financial Services	27,465	19,379
Meals and entertainment	850	1,050
Printing, stationery and supplies	2,390	2,864
Sponsors' Golf Day	-	1,007
Subscriptions	2,059	-
Travel	-	30
VET in Schools Expenses	84	-
<b>Total Expenses</b>	56,330	37,144
<b>Net Earnings/(Deficit)</b>	( 8,998)	( 2,152)

## Statement of Financial Position - Balance Sheet

	30 June 2021 A\$	30 June 2020 A\$
<b>Assets</b>		
Current Assets		
Cheque account	17,270	3,969
Savings Account	-	349
Term Deposit	167,329	188,579
Accounts Receivable	2,500	-
Total Current Assets	187,099	192,897
Total Assets	187,099	192,897
<b>Liabilities</b>		
Current Liabilities		
Trade Creditors	3,200	-
Total Current Liabilities	3,200	-
Total Liabilities	3,200	-
Net Assets	183,899	192,897
<b>Guild Equity</b>		
Current Earnings/(Deficit)	( 8,998)	( 2,152)
Gurney-Souberian Trust Fund	70,343	70,343
Retained Earnings	122,554	124,706
Total Guild's Equity	183,899	192,897

## Statement of Changes in Equity

for the financial year ended 30 June 2021

	01/07/20 to 30/6/21 A\$	01/07/19 to 30/6/20 A\$
Gurney-Souberian Trust Fund	70,343	70,343
Current Earnings/(Deficit)	( 8,998)	( 2,152)
Retained Earnings	122,554	124,706
<b>Total Equity</b>	<b>183,899</b>	<b>192,897</b>

Gurney-Souberian Trust Fund was established to provide help for teachers. It is used to encourage teachers through the awards program of the Guild.

## Statement of Cash Flows

for the financial year ended 30 June 2021

	01/07/20 to 30/6/21 A\$	01/07/19 to 30/6/20 A\$
<b>Cash flows from operating activities</b>		
Net Earnings/(Deficit)	( 8,998)	( 2,152)
<b>Adjustments for non-cash movements in income and expenses</b>		
Accounts Receivable	(2,500)	-
Trade Creditors	3,200	-
<b>Total Adjustments for non-cash movements in income and expenses</b>	<b>700</b>	<b>-</b>
<b>Net Cash from operating activities</b>	<b>(8,298)</b>	<b>( 2,152)</b>
<b>Net Cash from Financing Activities</b>	<b>-</b>	<b>183,979</b>
<b>Cash and cash equivalents at beginning Of the period</b>	<b>192,897</b>	<b>11,070</b>
<b>Cash and cash equivalents at the End of the period</b>	<b>184,599</b>	<b>192,897</b>

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

# Index to the Notes of the Financial Statements

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## **Note 1 Summary of significant accounting policies**

### **1.1 Basis of preparation of the financial statements**

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the Teachers Guild of NSW is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

### **1.2 Comparative amounts**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

### **1.3 Significant accounting judgements and estimates**

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

### **1.4 New Australian Accounting Standards**

#### ***Adoption of New Australian Accounting Standard requirements***

No accounting standard has been adopted earlier than the application date stated in the standard.

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

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities in conjunction with AASB 15. AASB 1058 and AASB 15 supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 *Contributions*.

For NFP entities, both AASB 1058 and AASB 15 commenced from financial years beginning on or after 1 January 2019. The Teachers Guild of NSW adopted AASB 15 on the required effective date 1 January 2019 using a /modified retrospective method.

#### ***AASB 2017-6 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation***

The amendments to AASB 9 clarify that a financial asset passes the solely payments of principal and interest criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments apply retrospectively and are effective from 1 January 2019, with earlier application permitted.

These amendments have no impact on the financial statements of the Teachers Guild of NSW'.

#### ***AASB 2018-2 Amendments to Australian Accounting Standards – Plan Amendment, Curtailment or Settlement***

The amendments to AASB 119 specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period using the actuarial assumptions used to re-measure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event
- Determine net interest for the remainder of the period using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to re-measure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 January 2019, with early application permitted.

These amendments will apply only to any future plan amendments, curtailments, or settlements of the Teachers Guild of NSW.

#### ***AASB 2017-7 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation***

The amendments clarify that an entity applies AASB 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in AASB 9 applies to such long-term interests.

The amendments apply retrospectively and are effective from 1 January 2019, with early application permitted. Since the Teachers Guild of NSW does not have such long-term interests in its associate and joint venture, the amendments will not have an impact on its financial statements.

### ***AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015–2017 Cycle***

These improvements include:

- **AASB 11 Joint Arrangements**

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in AASB 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.

Amendment applies to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted.

These amendments are currently not applicable to the Teachers Guild of NSW but may apply to future transactions.

- **AASB 123 Borrowing Costs**

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. Amendment applies for annual reporting periods beginning on or after 1 January 2019, with early application permitted.

These amendments are not applicable to the Teachers Guild of NSW.

## **1.5 Acquisition of assets and or liabilities that do not constitute a business combination**

*Teachers Guild of NSW* did not acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of the organisation, a determination or revocation by the General Manager of the Fair Work Commission under subsections 245(1) or 249(1) of the RO Act.

## **1.6 Revenue**

Revenue is measured at the fair value of the consideration received or receivable. Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be

reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any loss allowance due to expected credit losses at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

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

## **1.7 Government grants**

Government grants are not recognised until there is reasonable assurance that the Teachers Guild of NSW will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Teachers Guild of NSW recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Teachers Guild of NSW should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Teachers Guild of NSW with no future related costs are recognised in profit or loss in the period in which they become receivable.

## **1.8 Cash**

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

## **1.9 Financial instruments**

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

## **1.10 Financial assets**

### **Initial recognition and measurement**

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (**OCI**), or fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Teachers Guild of NSW's business model for managing them. With the exception of trade receivables that do not contain a



significant financing component, the Teachers Guild of NSW initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (**SPPI**) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Teachers Guild of NSW's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Teachers Guild of NSW commits to purchase or sell the asset.

### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

### **Derecognition**

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Teachers Guild of NSW has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - a) the Teachers Guild of NSW has transferred substantially all the risks and rewards of the asset, or
  - b) the Teachers Guild of NSW has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Teachers Guild of NSW has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Teachers Guild of NSW continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

### **Offsetting**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **Impairment**

#### **(i) Trade receivables**

For trade receivables that do not have a significant financing component, the Teachers Guild of NSW applies a simplified approach in calculating expected credit losses (**ECLs**) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables. Therefore, the Teachers Guild of NSW does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Teachers Guild of NSW has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

#### **(ii) Debt instruments other than trade receivables**

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the Teachers Guild of NSW recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Teachers Guild of NSW expects to receive, discounted at an approximation of the original effective interest rate. ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).
- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The Teachers Guild of NSW considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Teachers Guild of NSW may also consider a financial asset to be in default when internal or external information indicates that the Teachers Guild of NSW is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## **1.11 Financial Liabilities**

### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss. All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs. The Teachers Guild of NSW's financial liabilities include trade and other payables.

### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

#### **1.12 Contingent liabilities and contingent assets**

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

#### **1.13 Taxation**

The Teachers Guild of NSW is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 and is also exempt from Fringe Benefits Tax (**FBT**) and the Goods and Services Tax (**GST**).

#### **1.14 Fair value measurement**

The Teachers Guild of NSW measures financial instruments, such as, financial assets at fair value through the profit and loss, financial assets at fair value through OCI, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Teachers Guild of NSW. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Teachers Guild of NSW uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Teachers Guild of NSW determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Teachers Guild of NSW has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

#### **1.15 Going concern**

The Teachers Guild of NSW is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

The Teachers Guild of NSW has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

## Note 2 Reserves

	2021	2020
	\$	\$
Gurney-Souberian Trust Fund		
<b>Balance as at start of year</b>	<b>70,434</b>	70,434
Transferred to reserve	0	0
Transferred out of reserve	0	0
<b>Balance as at end of year</b>	<b>70,434</b>	70,343
<b>Total reserves</b>	<b>70,434</b>	70,434

Gurney-Souberian Trust Fund was established to provide help for teachers. It is used to encourage teachers through the awards program of the Guild.

## Note 3 Contingent Liabilities, Assets and Commitments

Teachers Guild of NSW has no Contingent Liabilities, Assets and Commitments as at 30 June 2021

## Note 4 Related Party Disclosures

### Related party transactions for the reporting period

**There were no transactions with any related party or key management personnel and their close family members**

## Note 5 Remuneration of Auditors

### Value of the services provided

	2021	2020
	\$	\$
Financial statement audit services	1,000	1,375
Other services	-	-
<b>Total remuneration of auditors</b>	<b>1,000</b>	1,375

No other services were provided by the auditors of the financial statements.

## Note 6 Financial Instruments

The Council is very aware that the Guild has limited finances and so it is very prudent in the management of the funds that are available to it. A range of events are organised to support the teaching profession each year and speakers at these events give of their time freely which greatly helps to keep costs to a minimum.

The larger proportion of the Guild's funds are in a savings account though as interest rates are very poor, the return on the money invested is not as significant as it was in the past and therefore the Council has sort other means to help generate funds.

Sponsor donations were significantly increased in the financial year 2020 to 2021 thanks to the hard work of the President. Pledges of support from donors has resulted in a stronger outlook for the Guild and its activities for 2022.

Due to the expected lifting of all Covid 19 restrictions in December 2021, it is expected that all planned Guild events will be able to proceed in 2022 making the end of the 2021 to 2022 financial year much brighter financially.

The two largest events that the Guild will organise in 2022 is likely to make a combined profit of over \$12,000.

As the Guild does not have employees and is able to use the Concord Golf Club at a discount rate for meetings and events, costs are kept to a minimum.

The Council has made adjustments to ensure that it is not heavily reliant on interest rates for the next financial year. It is expected that interest from cash in the bank will return a less amount than in the 2020 to 2021 financial year, due to low interest rates and less money in the Guild Savings Account.

### **Credit risk**

The Guild's maximum exposure to credit risk for the components of the statement of financial position at 30 June 2021 is nil.

### **Liquidity risk**

As payment for events are made prior to the events that the Guild organises, the Guild does not have a problem with bad debts.

Likewise, the Guild does not run up large debts for its events and is able to meet all payments.

### **Note 10 Section 272 Fair Work (Registered Organisations) Act 2009**

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

Information to be provided to members or Commissioner:

- 1) A member of a reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- 2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- 3) A reporting unit must comply with an application made under subsection (1).

## Treasurer Declaration Statement

I, Peter Green being the Treasurer of The Teachers' Guild of New South Wales declare that the following activities did not occur during the reporting period ending 30 June 2021.

The Guild did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees or any other revenue amount from another reporting unit
- receive revenue via compulsory levies
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay capitation fees or any other expense to another reporting unit
- pay affiliation fees to other entity
- pay compulsory levies
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay a donation that exceeded \$1,000
- pay wages and salaries to holders of office
- pay superannuation to holders of office
- pay leave and other entitlements to holders of office
- pay separation and redundancy to holders of office
- pay other employee expenses to holders of office
- pay wages and salaries to employees (other than holders of office)
- pay superannuation to employees (other than holders of office)
- pay leave and other entitlements to employees (other than holders of office)
- pay separation and redundancy to employees (other than holders of office)
- pay other employee expenses to employees (other than holders of office)
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- incur expenses due to holding a meeting as required under the rules of the organisation
- pay legal costs relating to litigation

- pay legal costs relating to other legal matters
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a receivable with other reporting unit(s)
- have a payable with other reporting unit(s)
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- have an annual leave provision in respect of holders of office
- have a long service leave provision in respect of holders of office
- have a separation and redundancy provision in respect of holders of office
- have other employee provisions in respect of holders of office
- have an annual leave provision in respect of employees (other than holders of office)
- have a long service leave provision in respect of employees (other than holders of office)
- have a separation and redundancy provision in respect of employees (other than holders of office)
- have other employee provisions in respect of employees (other than holders of office)
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- provide cash flows to another reporting unit and/or controlled entity
- receive cash flows from another reporting units and/or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit



**Signature of Treasurer:**

**Name of Treasurer:**

**Peter Green**

**Dated:**

**11 November**