



24 July 2015

Ms Anita Jonsberg
Secretary
Australian Education Union, Northern Territory Branch
3/8 Totem Road
Coconut Grove NT 0810

via e-mail: secretary@aeunt.org.au

Dear Ms Jonsberg

**Australian Education Union, Northern Territory Branch
Financial Report for the year ended 31 December 2014 - FR2014/436**

I acknowledge receipt of the financial report for the year ended 31 December 2014 for the Australian Education Union, Northern Territory Branch (AEU-NT). The amended financial report was lodged with the Fair Work Commission (FWC) on 23 July 2015.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

Whilst the 2014 report has been filed the following should be addressed in the preparation of the next financial report.

Accounting Policy - revenue

The AEU-NT accounting policy for membership revenue states "Membership fees are recognised as income in the financial statements when there is no significant uncertainty as to their receipt."

It will assist readers of the financial statements if this policy clearly states that membership fees are reported on an accruals basis. The FWC 'Model Financial Statements' provide the following example:

"Revenue from subscriptions is accounted for on an accruals basis and is recorded as revenue in the year to which it relates."

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7675 or by email at ken.morgan@fwc.gov.au

Yours sincerely

Ken Morgan
Financial Reporting Advisor
Regulatory Compliance Branch

Financial Report

NT Branch of the Australian Education Union

31 December 2014

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
ABN 64 406 978 451

General Purpose Financial Statements
31 December 2014

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**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
ABN 64 406 978 451
OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

Your Committee members present their report on the Branch for the financial year ended 31 December 2014.

Committee members

The names of the committee members throughout the year and at the date of this report are:

Jarvis Ryan	President (appointed: 14/7/14)
Anita Jonsberg	Secretary (appointed: 16/10/14)
Peter Robert Clisby	Secretary (resigned: 21/5/14)
Matthew Cranitch	President (resigned: 27/05/14)
Stephen Pelizzo	Vice-President
Julie Danvers	Treasurer
Melanie Baldwin	Women's Officer
Cassandra Brown	Indigenous Officer
Michael Sandford	Councillor
Dean Parkin	Councillor (resigned: 21/6/14)
Selena Uibo	Councillor (appointed: 16/10/14)
Paula Thornton	Councillor
Carly Phillips	Councillor (resigned: 28/11/14)
Judy Boland	Councillor
Liam Phillips	Councillor (resigned: 31/3/14)
Barry George	Councillor (appointed: 25/8/14)
Alice Leppitt	Councillor (appointed: 25/8/14)
Rachel Bury	Councillor (appointed: 25/8/14)
Sheryl Fotakis	Councillor
Glynis Winslade	Councillor
Peter Hardcastle	Councillor
Bernard Small	Councillor (forfeited office 28/7/14)

Principal activities

The AEU is a professional and industrial organisation, registered under the Fair Work (Registered Organisations Act) 2009, representing teachers and education workers in public educational facilities. The AEU is a democratic, federated structure, with a Federal Office based in Melbourne and branches in each state and territory in Australia.

The principal activity of the Australian Education Union Northern Territory Branch during the reporting period was the protection of and improvement of employment conditions for its members. No significant changes in the nature of this activity occurred during the reporting period.

The AEU NT has the following objectives:

- To increase government funding to public education facilities
- To enhance the professional status of AEU NT members in public education
- Protect and promote quality teaching and learning
- Protect and enhance the industrial rights of AEU NT members
- Promote human rights and social justice

In 2014, the AEU NT promoted the 'I Give a Gonski' campaign and the 'Stop the Cuts' campaign and advocated for these among members, in the community and with representatives of the NT Government. A major focus for the Branch in 2014 was a protracted dispute with the Government over a new Enterprise Agreement and the Branch's desire for safeguards on staffing ratios and improvements in working conditions.

Results of activities

The 'I Give a Gonski' campaign was unsuccessful in the NT, but efforts continue to be made with both respect to both the Government and Opposition, and the Branch is part of national efforts to campaign for equitable federal funding for public schools.

The 'Stop the Cuts' campaign was successful in focusing the community's attention on diminishing school budgets and the harmful impact of this on students and schools. This campaign was effective in garnering public support for teachers and NT public education in general.

The AEU NT continued to highlight the professional status of teachers with representation on NTBOS, the TRB and other professional bodies.

Towards the end of 2014, efforts to link with other unions and organisations such as COGSO were effective and position the union well to build coalitions in support of public education and social justice issues.

A new Enterprise Agreement was agreed to in early December which maintained most of our members' existing conditions and secured pay rises over the next three years.

Significant changes

No significant change in the nature of these activities occurred during the year.

Right of members to resign

Members may resign from the union in accordance with rule 17, which reads as follows:

"17 - Resignation from membership and termination of eligibility

(1) Subject to sub-rule 17(1A) a member becomes ineligible for membership of the Union when he/she no longer meets the conditions of eligibility for membership of the Union.

(1A) The following persons shall after the date referred to in sub-rule 5(12) be eligible to retain membership of the Union notwithstanding the fact that they are no longer eligible for membership within the conditions of eligibility for membership set out in rule 5:

(a) members who are eligible for membership pursuant to paragraphs 5(3)(a), (b) or (c) and are

(i) seconded by their employer to non-teaching duties, or

(ii) appointed by the Minister for Education to any Board, Committee or statutory authority;

(b) members who were formerly eligible for membership pursuant to paragraph 5(4)(a), (b) or (c) and have commenced to be employed elsewhere in the Victorian Education Department or in a technical and further education institution or by the Technical and Further Education Board or are seconded by their employer to perform professional duties requiring teacher qualifications;

(c) persons who become members of the Union prior to the date referred to in sub-rule 5(12) pursuant to paragraphs 5(3)(d) or 5(4)(d); provided that persons who are entitled to retain membership pursuant to this sub-rule should not be entitled to retain membership after the expiration of the secondment or appointment.

(2) A member who becomes ineligible for membership of the Union shall within seven days thereof give written notice of the fact and the reason therefore to the Secretary of the Branch to which he/she is attached.

(3) A member may resign from membership of the Union by written notice addressed to and delivered to the Secretary of the Branch to which the member is attached.

(4) A notice of resignation from membership takes effect:-

(a) where the member ceases to be eligible to become a member of the Union -

(i) on the day on which the notice is received at the office of the relevant Branch Secretary; or

(ii) 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

(b) in any other case -

(i) at the end of 2 weeks after the notice is received at the office of the relevant Branch Secretary; or

(ii) on the day specified in the notice; whichever is later.

(5) Any subscriptions, levies or fines which are due and payable but have not been paid by a former member in relation to a year before the member's resignation 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.

(6) A notice delivered to the relevant Branch Secretary shall be taken to have been received by the Union when it was delivered.

(7) A notice of resignation that has been received at the office of the relevant Branch Secretary is not invalid because it was not addressed and delivered in accordance with sub-rule (1).

(8) A resignation from membership 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.

(9) A relevant Branch Secretary may accept a resignation from membership which is not effected in accordance with this Rule.

(10) Where the relevant Branch Secretary accepts a resignation in accordance with the previous sub-rule the relevant Branch Secretary shall inform the member in writing that his/her resignation has been accepted.

(11) On receipt of a written notice from a member that he/she has become ineligible for membership of the Union or a notice of resignation or on acceptance of a resignation which is not effected in accordance with this Rule, the Branch Secretary shall, as soon as possible notify the Federal Secretary that the member has become ineligible for membership or that the member has resigned."

Membership and employee numbers

The number of members as of 31 December 2014 was 1899 (the figure for Dec 2013 was 2124). The number of employees at the end of 2014 was five, including two full-time officers. The average number of members of the Branch during the year was 2,004.

Superannuation trustees

To the best of the Federal Executive's belief and knowledge, no officer or member of the organisation, by virtue of their office or membership of the Australian Education Union is:

(i) a trustee of a superannuation entity or exempt public sector superannuation scheme: or

(ii) a director of a company that is a trustee of a superannuation entity or exempt public sector superannuation scheme: and

(iii) where the criterion for the officer or member being a trustee or director is that the officer or member is an officer or member of a registered organisation.


Operating results

The loss of the Branch for the financial year after providing for income tax amounted to \$258,470 (2013 loss: \$277,674).

After balance date events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Branch, the results of those operations, or the state of affairs of the Branch in future financial years.

Signed in accordance with a resolution of the members of the Committee of Management (Branch Executive):



Jarvis Ryan – President

13/6/15

Dated



Anita Jonsberg – Secretary

13/6/15

Dated

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
ABN 64 406 978 451
COMMITTEE MANAGEMENT STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014

On the 13/6/15 2015, the Committee of Management of the NT Branch of the Australian Education Union passed the following resolution in relation to general purpose financial report for the year ended ~~31~~ December 2014.

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The Committee of Management of the Branch declares that in its opinion:

1. the financial statements and notes comply with Australian Accounting Standards.
2. the financial statements and notes comply with the reporting guidelines of the General Manager
3. the Statement of Profit and Loss and Other Comprehensive Income, Statement of Financial Position, and Notes to the financial statements presents fairly the financial position of the Branch as at 31 December 2014 and its performance for the year ended on that date.
4. At the date of this statement, there are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable.
5. During the financial year to which the GPFR 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 Branch 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 Branch have been kept and maintained in accordance with the RO Act; and
 - (iv) where the organisation consists of two or more Branches, the financial records of the Branch have been kept, as far as practicable, in a consistent manner with each of the other Branches of the organisation; and
 - (v) where information has been sought in any request by a member of the Branch or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
 - (vi) 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.

6. the Branch has not derived revenue from undertaking recovery of wages activity, and the financial statements shall include the statement of 'no revenue has been derived from undertaking recovery of wages activity during the reporting period'.

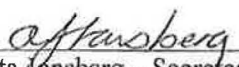
This declaration is made in accordance with a resolution of the Committee of Management.



Jarvis Ryan – President

13/6/15

Dated



Anita Lonsberg – Secretary


13/6/15

Dated

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
ABN 64 406 978 451
DESIGNATED OFFICERS' CERTIFICATE
FOR THE YEAR ENDED 31 DECEMBER 2014**

We, Jarvis Ryan and Anita Jonsberg, being the President and Secretary, respectively, of the NT Branch of the Australian Education Union certify:

1. that the documents lodged herewith are copies of the full report for the NT Branch of the Australian Education Union for the period ended 31 December 2014 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
2. that the full report was provided to members of NT Branch of the Australian Education Union before 18 June 2015; and
3. that the full report was presented to the Branch Executive (Committee of Management) of the NT Branch of the Australian Education Union on 21 July 2015 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.



Jarvis Ryan – President

22/7/15

Dated



Anita Jonsberg – Secretary

22/7/15

Dated

AUDITOR'S INDEPENDENCE DECLARATION

To: the Committee of Management of NT Branch of the Australian Education Union:

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 December 2014 there have been:

- No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- No contraventions of any applicable code of professional conduct in relation to the audit.



BARRY HANSEN
Chartered Accountant
Registered Company Auditor

Date: 13 June 2015

INDEPENDENT AUDITOR'S REPORT

To the members of
NT Branch of the Australian Education Union

Report on the financial statements

We have audited the accompanying financial statements of NT Branch of the Australian Education Union (the "Branch"), which comprise the statement of financial position as at 31 December 2014, the statement of profit and loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to and forming part of the financial statements comprising a summary of significant accounting policies and other explanatory information, and the Committee of Management Statement.

Committee of Management's responsibility for the financial statements

The Committee of Management is responsible for the preparation and fair presentation of these financial statements in accordance with Australian Accounting Standards and relevant provisions of the Fair Work (Registered Organisations) Act 2009, and for such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT *(continued)*

Independence

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Branch as at 31 December 2014, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.



BARRY HANSEN
Chartered Accountant
Registered Company Auditor

Date: 13 June 2015

AUDITOR'S STATEMENT

To the members of
NT Branch of the Australian Education Union

We declare that:

1. In our audit opinion, the financial statements present fairly, in all material respects, the financial position of the Branch as at 31 December 2014, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and other requirements imposed by the reporting guidelines (RO Act 253) of the Fair work Act (Registered Organisations) Act 2009.
2. As part of the audit of financial statements, we have concluded that the Committee of Management's use of the going concern basis of accounting in the preparation of the NT Branch of the Australian Education Union financial statements is appropriate.
3. In relation to recovery of wages activity:
 - i. That the scope of the audit encompassed recovery of wages activity;
 - ii. That the financial statements and notes ad recovery of wages activity financial report properly and fairly report all information required by the reporting guidelines of the General Manager, including:
 - (a) Any fees charged to, or reimbursement of expenses claimed from, members and others for recovery of wages activity
 - (b) Any donations or other contributions deducted from recovered money.
4. I am an approved Auditor.
5. I am a member of the "The Institute of Chartered Accountants Australia" (ICAA) with a current Public Practice Certificate.



BARRY HANSEN
Chartered Accountant
Registered Company Auditor

Date: 13 June 2015

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
 ABN 64 406 978 451
 STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 \$	2013 \$
Revenue and other income	4	1,151,928	1,182,788
Employee benefits expense (elected office-holders)	5	(455,941)	(263,268)
Employee benefits expense (non-elected office-holders)	5	(296,428)	(372,601)
Bank charges		(8,948)	(8,240)
Donations	9, 16	(15,180)	(620)
Depreciation	20	(11,897)	(23,697)
Staff training and development expense		(1,181)	(773)
Doubtful debts expense	18	-	(865)
Repairs, maintenance and vehicle running expense		(11,769)	(16,402)
Fuel, light and power expense		(6,753)	(8,557)
AEU expenses		(19,051)	(13,194)
Capitation fees	6	(63,382)	(71,770)
Committee expenses		(17,287)	(118,453)
Conference/seminar costs		(99,619)	(143,875)
Payroll tax		(45,426)	(40,230)
Specific project expenses (EBA, GONSKI, etc.)		(33,250)	(102,850)
Administration expenses	8	(16,756)	(11,005)
Affiliation fees	7	(11,087)	(7,400)
Insurance		(20,647)	(20,400)
Hire plant and equipment (printer)		(11,111)	(12,991)
Computer expenses		(48,761)	(48,759)
Telephone		(18,892)	(20,205)
Travel and accommodation		(60,471)	(7,088)
Auditors' fees	25	(7,380)	(7,134)
Legal costs	10	(36,988)	(26,062)
Consultancy fees		(40,060)	(37,116)
Sundry expenses		(52,133)	(76,907)
Profit (loss) for the year		(258,470)	(277,674)
Income tax expense		-	-
Other comprehensive income		-	-
Total comprehensive income for the period		-	-
Total comprehensive income (loss) attributable to the members of the entity		(258,470)	(277,674)

The accompanying notes form part of this financial report

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
ABN 64 406 978 451
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 \$	2013 \$
CURRENT ASSETS			
Cash and cash equivalents	13	802,118	1,110,689
Accounts receivable and other debtors	18	-	515
TOTAL CURRENT ASSETS		<u>802,118</u>	<u>1,111,204</u>
NON-CURRENT ASSET			
Available-for-sale	19	10	10
Property, plant & equipment	20	420,256	388,062
TOTAL NON-CURRENT ASSET		<u>420,266</u>	<u>388,072</u>
TOTAL ASSETS		<u>1,222,385</u>	<u>1,499,276</u>
CURRENT LIABILITIES			
Accounts payable and other payables	21	63,887	96,488
Provision for employee benefits	22	33,457	44,573
Loans payable - current portion	23	8,742	-
TOTAL CURRENT LIABILITIES		<u>106,086</u>	<u>141,061</u>
NON-CURRENT LIABILITIES			
Provision for employee benefits	22	-	26,347
Loans payable	23	42,900	-
TOTAL NON-CURRENT LIABILITIES		<u>42,900</u>	<u>26,347</u>
TOTAL LIABILITIES		<u>148,986</u>	<u>167,408</u>
NET ASSETS		<u>1,073,398</u>	<u>1,331,868</u>
EQUITY			
Accumulated surplus		1,073,398	1,331,868
TOTAL EQUITY		<u>1,073,398</u>	<u>1,331,868</u>

The accompanying notes form part of this financial report

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
 ABN 64 406 978 451
 STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 31 DECEMBER 2014

	<u>Accumulated Surplus</u>	<u>Total</u>
Balance at 1 January 2013	1,604,283	1,604,283
Comprehensive income		
Opening balance adjustment	5,259	5,259
Net surplus (loss) for the year	(277,674)	(277,674)
Other comprehensive income for the year	-	-
Total comprehensive income (loss) attributable to members of the equity	<u>(272,415)</u>	<u>(272,415)</u>
Balance at 31 December 2013	<u><u>1,331,868</u></u>	<u><u>1,331,868</u></u>
Balance at 1 January 2014	1,331,868	1,331,868
Comprehensive income		
Net surplus (loss) for the year	(258,470)	(258,470)
Other comprehensive income for the year	-	-
Total comprehensive income (loss) attributable to members of the equity	<u>(258,470)</u>	<u>(258,470)</u>
Balance at 31 December 2014	<u><u>1,073,398</u></u>	<u><u>1,073,398</u></u>

The accompanying notes form part of this financial report

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
 ABN 64 406 978 451
 RECOVERY OF WAGES ACTIVITY
 FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	\$	\$
Cash assets in respect of recovered money at beginning of the year		
Receipts		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
Total receipts	<u>-</u>	<u>-</u>
Payments		
Deductions of amounts due in respect of membership for:		
12 months or less	-	-
Greater than 12 months	-	-
Deductions of donations or other contribution to accounts or funds of :		
The reporting unit : - nil	-	-
The other reporting unit of the Branch : - nil	-	-
The other entity : - nil	-	-
Deductions of fees or reimbursement of expenses funds of :	-	-
Payments to workers in respect to recovered money	-	-
Total payments	<u>-</u>	<u>-</u>
Cash assets in respect of recovered money at end the year	<u>-</u>	<u>-</u>
Number of workers to which the monies recovered relates		
Aggregate payables to workers attributable to recovered monies but not yet distributed		
Payable balance	-	-
Number of workers the payable relates to	-	-
Fund or account operated for recovery of wages		
Fund name: - nil	-	-

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
 ABN 64 406 978 451
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 31 DECEMBER 2014

	NOTE	2014 \$	2013 \$
Cash Flows from Operating Activities			
Receipts from members and other customers		1,123,990	1,254,375
Payments to suppliers and employees		(1,410,339)	(1,560,864)
Interest received	4	28,453	42,893
Net Cash Inflow/(Outflow) from Operating Activities		<u>(257,896)</u>	<u>(263,596)</u>
Cash Flows from Investing Activity			
Purchase of property, plant and equipment	20	(50,675)	(28,146)
Net Cash Inflow (Outflow) from Investing Activity		<u>(50,675)</u>	<u>(28,146)</u>
Net Increase/ (Decrease) in Cash Held		(308,571)	(291,742)
Cash at beginning of financial year		1,110,689	1,402,431
Cash at end of financial year	13	<u><u>802,118</u></u>	<u><u>1,110,689</u></u>

The accompanying notes form part of this financial report

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
ABN 64 406 978 451
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

1. Reporting entity

The financial statements cover NT Branch of the Australian Education Union (the “Branch”) as an individual entity and as a registered organisation under Fair Work (Registered Organisations) Act 2009. The Branch is domiciled in Australia.

2. Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with 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 Australian Education Union NT Branch is a not-for-profit entity.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and in accordance with historical cost, except for certain assets and liabilities measured at fair value, as explained in 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 process on the results or the financial position. The financial statements are presented in Australian dollars.

Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements.

The members evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the registered organisation.

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
ABN 64 406 978 451
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

3. Significant accounting policies

Significant accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Revenue

Membership fees are recognised as income in the financial statements when there is no significant uncertainty as to their receipt.

Donations and bequests are recognised as revenue when received.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Sale of assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

Capitation fees and levies

Capitation fees and levies are to be recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

Property, plant and equipment

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

Land and Buildings

Land and buildings are shown at their fair value based on periodic, valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
ABN 64 406 978 451
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

3. Significant accounting policies *(continued)*

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to policy of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Branch and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, including buildings and lease assets but excluding land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is available for use.

The depreciation rates used for each class of depreciable assets are follows:

Buildings	5% - 10%
Plant and equipment	15% - 40%
Motor vehicles	15% - 20%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised as income in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

Financial instruments

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

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3. Significant accounting policies *(continued)*

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

Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or 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 assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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 Branch manages together and has a recent actual pattern of short-term profit-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 Branch 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 remeasurement recognised in profit or loss. The net gain or loss recognised

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3. Significant accounting policies *(continued)*

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 Branch 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 cost using the effective interest method less any impairment.

Available-for-sale

Listed shares and listed redeemable notes held by the Branch that are traded in an active market are classified as available-for-sale and are stated at fair value. The Branch 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 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 Branch 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 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 interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

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3. Significant accounting policies *(continued)*

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Branch's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

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3. Significant accounting policies *(continued)*

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Derecognition of financial assets

The Branch derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the assets' carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

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 Branch manages together and has a recent actual pattern 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 Branch 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.

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3. Significant accounting policies *(continued)*

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 cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The Branch derecognises financial liabilities when, and only when, the Branch obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

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.

Fair value measurement

The Branch measures financial instruments, such as, financial asset 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 cost are disclosed in Note 24.

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

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3. Significant accounting policies *(continued)*

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 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 Branch 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 Branch 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 Branch 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.

Impairment for non-financial assets

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised in profit or loss.

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3. Significant accounting policies *(continued)*

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an asset's class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

Employee benefits and provisions

A liability is recognised for benefits accruing to employees in respect of wages and salaries, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Short-term employee provisions

Provision is made for the Branch's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Other long-term employee provisions

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

The Branch's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the Branch does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

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3. Significant accounting policies *(continued)*

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position. Bank borrowings that form an integral part of the Branch's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Accounts receivable and other debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment.

Refer to impairment policy for further discussion on the determination of impairment losses.

Goods and services tax (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Income tax

No provision for has been raised as the registered organisation is exempt from income tax under Div. 50 of the Income Tax Assessment Act 1997.

Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of reporting period.

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3. Significant accounting policies (continued)

Accounts payable and other payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Branch during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all risk and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Lease payments for operating leases, where substantially all the risk and benefits remain with the lessor, are recognised as an expenses on a straight line basis over the term of the lease.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Comparative figures

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

When the Branch has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

Going Concern

The Branch has not received and is not reliant on financial support from any other entity to continue on a going concern basis.

The Branch has not provided financial support to another entity.

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3. Significant accounting policies *(continued)*

Information to be provided to the Members or Registrar

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

New Australian Accounting Standard

Adoption of New Australian Accounting Standard Requirements

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

New Accounting Standards for application in future periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Branch. The Branch has decided not to early adopt any of the new and amended pronouncements. The Branch's assessment of the new and amended pronouncements that are relevant to the Branch but applicable in future reporting periods is set out below:

- AASB 9: Financial Instruments (December 2010) and associated amending Standards (applicable for annual reporting periods commencing on or after 1 January 2017). This Standard is not expected to significantly impact the Branch's financial statements.

These Standards will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

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	2014	2013
	\$	\$
4. REVENUE AND OTHER INCOME		
Conference income	-	3,073
Membership fees	1,122,170	1,130,566
Rebates and refunds	-	3,123
Capitation fees	-	-
DET Relief Teacher Funding	-	1,138
	<u>1,122,170</u>	<u>1,137,900</u>
Other revenue		
Interest received	28,453	42,893
Compulsory levies	-	-
Others	289	-
	<u>28,742</u>	<u>42,893</u>
Grants and donations:		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	1,016	1,995
	<u>1,016</u>	<u>1,995</u>
Other comprehensive income	-	-
	<u>-</u>	<u>-</u>
Total revenue	<u><u>1,151,928</u></u>	<u><u>1,182,788</u></u>

No revenue has been derived from undertaking recovery of wages activity during the reporting period.

5. EMPLOYEE BENEFITS EXPENSE

Elected Office-Holders

There were 6 elected office-holders during the year.

Their remuneration as disclosed on statement of profit and loss and comprehensive income comprise of the following components:

Salaries	198,326	215,752
Superannuation	23,261	21,777
Leave and other entitlements	144,724	25,739
Separation and redundancies	89,630	-
Other employee expenses	-	-
Subtotal employee expenses holders of the office	<u>455,941</u>	<u>263,268</u>

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	2014	2013
	\$	\$
Non- Elected Office-Holders		
Their remuneration as disclosed on statement of profit and loss and comprehensive income comprise of the following components:		
Salaries	193,552	299,204
Superannuation	24,485	29,342
Leave and other entitlements	78,391	27,699
Separation and redundancies	-	-
Other employee expenses	-	16,356
Subtotal employee expenses other than office holders	<u>296,428</u>	<u>372,601</u>
Total employee expenses	<u>752,369</u>	<u>635,869</u>

6. CAPITATION FEES

AEU - Federal office	63,382	71,770
	<u>63,382</u>	<u>71,770</u>

7. AFFILIATION FEES

NT Trades and Labour Council	10,587	7,400
Australian Schools Network	500	-
	<u>11,087</u>	<u>7,400</u>

8. ADMINISTRATION EXPENSES

Consideration to employers for payroll deductions	-	-
Rental expense - Alice Springs	7,563	7,563
Compulsory levies	9,193	3,442
	<u>16,756</u>	<u>11,005</u>

The rental expense in Alice Springs is a cancellable operating lease agreement.

The compulsory levies represent the amounts paid for publication levy and ACTU campaign levy during the year.

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	2014	2013
	\$	\$
9. GRANTS AND DONATIONS		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	180	620
Total paid that exceeded \$1,000	15,000	-
	<u>15,180</u>	<u>620</u>
10. LEGAL COSTS		
Litigation	-	-
Other legal matters	36,988	26,062
	<u>36,988</u>	<u>26,062</u>
11. LOSS FROM SALES/DISPOSAL OF ASSETS		
Motor vehicle	6,584	-
	<u>6,584</u>	<u>-</u>
12. SPECIFIED EXPENDITURE DISCLOSURES		
Allowances to represent AEUNT at conferences	4,194	9,146
Meetings of members, councils and committee	167,183	239,061
Penalties - via RO Act or RO Regulations	-	-
	<u>171,377</u>	<u>248,207</u>
13. CASH AND CASH EQUIVALENTS		
Cash on hand	486	296
Cash at bank - unrestricted	801,632	1,110,393
	<u>802,118</u>	<u>1,110,689</u>
<i>Cash Reconciliation</i>		
Cash - unrestricted	<u>802,118</u>	<u>1,110,689</u>

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	2014	2013
	\$	\$
14. CASH FLOW RECONCILIATION		
Reconciliation of cash flow from operating activities with net current surplus		
Current year surplus after income tax	(258,470)	(272,416)
Doubtful debt expense	-	865
Loss on disposal of property and equipment	6,584	-
Non-cash flows in current year surplus:		
Depreciation and amortisation expense	11,897	23,697
Changes in assets and liabilities:		
Decrease (increase) in account receivable and other debtors	515	490
Increase (decrease) in account payables and other creditors	(32,601)	(17,086)
Increase (decrease) in employee provisions	(37,463)	854
Increase (decrease) in loans payable	51,642	-
	<u>(257,896)</u>	<u>(263,596)</u>

15. CASH FLOW INFORMATION

Cash inflows		
NT Branch of the Australian Education Union	1,152,443	1,297,268
Other reporting unit/controlled entity	-	-
Total cash inflows	<u>1,152,443</u>	<u>1,297,268</u>
Cash outflows		
NT Branch of the Australian Education Union	1,461,014	1,589,010
Other reporting unit/controlled entity	-	-
Total cash outflows	<u>1,461,014</u>	<u>1,589,010</u>

There were no cash receipts nor payments made to any other reporting unit and/or controlled entity of the Branch during the year.

16. RELATED PARTY DISCLOSURES

The following table provides the total amount of transactions that have been entered into with related parties for relevant year.

Expenses paid to:		
Former elected office holders	10,000	-
Donations paid to former elected office holder	15,000	-
	<u>25,000</u>	<u>-</u>

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	2014	2013
	\$	\$
<p>The above payments were all part of the termination benefits paid to former office holders. The motor vehicle with a book value of \$16,584 was transferred to Matthew Cranitch, former Branch president for nil consideration in lieu of other employment termination benefits, the amount represents the market price of such asset on transaction date.</p> <p>The donation of \$15,000 was paid to Matthew Cranitch, former Branch President, to support his candidacy in the Legislative Assembly by election for the seat of Blain.</p> <p>There were no other transactions with the elected-office-holders other than the above.</p>		
17. KEY MANAGEMENT PERSONNEL REMUNERATION FOR THE REPORTING PERIOD		
Short-term employee benefits		
Salaries	198,326	215,752
Superannuation	23,261	21,777
Leave and other entitlements	144,724	25,739
Separation and redundancies	89,630	-
Other employee expenses	-	-
Total short-term employee benefits	<u>455,941</u>	<u>263,268</u>
Post-employment benefits		
Superannuation	-	-
Other long-term benefits:		
Long-service leave	-	-
Total	<u>455,941</u>	<u>263,268</u>
18. ACCOUNTS RECEIVABLE AND OTHER DEBTORS		
Receivables from other reporting unit:		
- none	-	-
Total receivables from other reporting unit	<u>-</u>	<u>-</u>
Less provision for doubtful debts		
- none	-	-
Total provision for doubtful debts	<u>-</u>	<u>-</u>
Other receivables		
Membership subscriptions	-	-
Other accounts receivable	-	1,315
Less: provision for doubtful debts	-	(800)
	<u>-</u>	<u>515</u>

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	2014	2013
	\$	\$
Accounts receivables and other debtors non-interest bearing loans and generally are receivable within 30 days. A provision for impairment is recognised against receivables where there is objective evidence that an individual trade receivable is impaired.		
The Branch has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.		
<i>Collateral held as security</i>		
No collateral is held as security for any of the accounts receivables or other debtors balances.		
Financial assets classified as loans and receivables		
Accounts receivable and other debtors	-	515
	<u>-</u>	<u>515</u>
19. AVAILABLE-FOR- SALE		
Non- Current		
Investment in shares	10	10
	<u>10</u>	<u>10</u>
20. PROPERTY, PLANT & EQUIPMENT		
Land and Buildings - at fair market value, Directors Valuation	320,389	320,389
Less Accumulated Depreciation	-	-
	<u>320,389</u>	<u>320,389</u>
Plant and equipment - at cost	127,806	123,037
Less Accumulated Depreciation	(88,631)	(86,227)
	<u>39,175</u>	<u>36,810</u>
Motor vehicles - at cost	142,524	119,584
Less Accumulated depreciation	(81,832)	(88,721)
	<u>60,692</u>	<u>30,863</u>
Total Property, Plant & Equipment	<u>420,256</u>	<u>388,062</u>

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	2014	2013		
	\$	\$		
Movements in carrying amount				
Movements in carrying amount for each class of property, plant and equipment between the beginning and the end of the current financial year:				
	Land and Buildings \$	Plant and Equipment \$	Motor Vehicles \$	Total \$
Balance at 31 December 2012	320,389	17,471	45,753	383,613
Additions	-	28,146	-	28,146
Disposals	-	-	-	-
Depreciation expense	-	(8,807)	(14,890)	(23,697)
Balance at 31 December 2013	320,389	36,810	30,863	388,062
Additions	-	4,769	45,906	50,675
Disposals	-	-	(6,584)	(6,584)
Depreciation expense	-	(2,404)	(9,493)	(11,897)
Balance at 31 December 2014	<u>320,389</u>	<u>39,175</u>	<u>60,692</u>	<u>420,256</u>

21. ACCOUNTS PAYABLE AND OTHER PAYABLES

Accounts payable	32,487	39,917
Accrued wages	13,263	15,407
Consideration to employers for payroll deduction	-	-
Legal costs and other litigation expenses	-	-
Other current payables (including GST and payroll tax)	18,137	41,164
	<u>63,887</u>	<u>96,488</u>

Payables from other reporting unit:

- none

Total payables from other reporting unit

-	-
<u>-</u>	<u>-</u>

Total accounts payables and other payables

<u>63,887</u>	<u>96,488</u>
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Collateral pledged

No collateral has been pledged for any of the trade and other payable balances.

(a) Financial liabilities at amortised cost classified as trade and other payables

Accounts payable and other expenses	63,887	96,488
Total current	<u>63,887</u>	<u>96,488</u>
Less deferred income	-	-
Less annual leave entitlements	-	-
Financial liabilities as accounts payable and other payables	<u>63,887</u>	<u>96,488</u>

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	2014	2013
	\$	\$
22. PROVISION FOR EMPLOYEE BENEFITS		
<i>Office Holders:</i>		
Annual leave	6,578	32,426
Long service leave	-	13,388
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions - office holders	<u>6,578</u>	<u>45,814</u>
<i>Employees other than Office Holders:</i>		
Annual leave	26,879	12,147
Long service leave	-	12,959
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions - other than office holders	<u>26,879</u>	<u>25,106</u>
Total employee provisions	<u>33,457</u>	<u>70,920</u>
Current		
Short-term employee benefits		
Opening balance at 1 January 2014	44,573	44,573
Additional provisions raised during year	33,457	-
Leave taken during year	(44,573)	-
Balance at 31 December 2014	<u>33,457</u>	<u>44,573</u>
Non- Current		
Long-term employee benefits		
Opening balance at 1 January 2014	26,347	13,859
Additional provisions raised (leave taken) during year	(26,347)	12,488
Balance at 31 December 2014	<u>-</u>	<u>26,347</u>
Analysis of total provisions		
Current	33,457	44,573
Non- Current	-	26,347
	<u>33,457</u>	<u>70,920</u>

Provisions for Non-current Employee Benefits

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect to long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in the Note 3 of the financial statements.

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	2014	2013
	\$	\$
23. LOANS PAYABLE		
Motor vehicle finance lease:		
Current	8,742	-
Non- Current	42,900	-
	<u>51,642</u>	<u>-</u>

In 2014, the Branch obtained to financed the purchase of two (2) vehicles, payable in 60 months at approximate interest rate of 10.8%.

24. FINANCIAL RISK MANAGEMENT

The registered organisation's financial statements consists mainly of deposits with banks, receivables and payables .

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Financial assets		
Cash and cash equivalents	802,118	1,110,689
Accounts receivables and other debtors	-	515
Available for sale - investment in Australian listed share	10	10
Total financial assets	<u>802,128</u>	<u>1,111,214</u>
Financial liabilities		
Financial liabilities at amortised cost		
Accounts payable and other payables	63,887	96,486
Loans payable	51,642	-
Total financial liabilities	<u>115,529</u>	<u>96,486</u>

Financial Risk Management Policies

The committee is responsible for monitoring and managing the union's compliance with risk management strategy. The committee's overall risk management strategy is to assist the union in meeting its financial targets whilst minimising potential adverse affects on the financial performance. Risk management policies are approved and reviewed by the Committee on a regular basis. These include credit risk policies and future cash flow requirements.

Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the registered organisation. The registered organisation does not have any material risk exposures as its major source of revenue is the receipt of membership fees.

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	2014	2013
	\$	\$

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Accounts receivable and other debtors that are neither past due nor impaired are considered to be of higher credit quality.

Market Risk

Interest Rate Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Branch is also exposed to earnings volatility on floating rate instruments.

At the reporting date the interest rate profile of the Branch interest-bearing financial instruments was:

Cash on bank - other than operating account and term deposits	235,217	591,764
Term deposits	500,000	500,000
	<u>735,217</u>	<u>1,091,764</u>

Fair Value Estimation

The fair values of the financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair value may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair values is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the registered organisation. Most of these instruments, which are carried at amortised cost (i.e. accounts receivables, loan liabilities), are to be held until maturity and therefore the fair value figures calculated bear a little relevance to the registered organisation.

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	2014		2013	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	802,118	802,118	1,110,689	1,110,689
Accounts receivables and other debtors	-	-	515	515
Available for sale - investment in Australian listed s	10	10	10	10
Total financial assets	802,128	802,128	1,111,214	1,111,214
Financial liabilities				
Financial liabilities at amortised cost				
Accounts payable and other payables	63,887	63,887	96,486	96,486
Loans payable	51,642	51,642	-	-
Total financial liabilities	115,529	115,529	96,486	96,486

The fair values disclosed in the above table have been determined based on the following methodologies:

(i) Cash and cash equivalents, accounts receivable and other debtors and accounts payable and other payables are short-term instrument in nature whose carrying value is equivalent to fair value. Accounts payable and other payables excludes amounts relating to the provision of annual leave which is outside the scope of AASB 139.

(ii) For listed available for sale financial assets, closing quoted bid prices at the end of the reporting period are used. In determining the fair values of the unlisted available-for-sale assets, the directors have used inputs that are observable either directly (as prices) or indirectly (derived from prices).

Fair value hierarchy

The following tables provides an analysis of financial and non-financial assets and liabilities that are measured at fair value, by fair value hierarchy.

Fair value hierarchy as at 31 December 2014

	Date of Valuation	Level 1	Level 2	Level 3
Assets at fair value				
Land and Buildings	2011	-	320,000	-
Investment in shares	2014	-	10	-
Total		-	320,010	-
Liabilities at fair value				
Nil		-	-	-
Total		-	-	-

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		2014	2013
		\$	\$
Fair value hierarchy as at 31 December 2013			
	Date of Valuation	Level 1	Level 2
		Level 3	
Assets at fair value			
Land and Buildings	2011	-	320,000
Investment in shares	2013	-	10
Total		<u>-</u>	<u>320,010</u>
Liabilities at fair value			
Nil		-	-
Total		<u>-</u>	<u>-</u>

25. AUDITORS FEES

Fees to the auditor for the audit of the financial statements	7,380	7,134
Lodgement of IAS, BAS and FBT returns	1,860	1,800
Total Auditors Fees	<u>9,240</u>	<u>8,934</u>

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

26. SECTION 272 Fair Work (Registered Organisations) Act 2009

In the 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 General Manager:

(1) A member of a reporting unit, or the General Manager, 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).

27. BUSINESS DETAILS

The registered office and principal place of business of the Branch is:

NT Branch of the Australian Education Union
 3/8 Totem Road, Coconut Grove NT 0810