



15 September 2015

Ms Gillian Robertson  
Branch Secretary  
Australian Education Union, Victorian Branch  
112 Trenerry Crescent  
Abbotsford VIC 3067

By e-mail: [melbourne@aeuvic.asn.au](mailto:melbourne@aeuvic.asn.au)

Dear Ms Robertson

**Australian Education Union, Victorian Branch  
Financial Report for the year ended 31 December 2014 - FR2014/440**

I acknowledge receipt of the amended financial report for the year ended 31 December 2014 for the Australian Education Union, Victorian Branch.

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

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](mailto:ken.morgan@fwc.gov.au)

Yours sincerely

Ken Morgan  
Financial Reporting Advisor  
Regulatory Compliance Branch

**AUSTRALIAN EDUCATION UNION  
VICTORIAN BRANCH  
AND CONTROLLED ENTITIES**

**ABN: 44 673 398 674**

**Financial Report For The Year Ended  
31 December 2014**

# AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITIES

**ABN: 44 673 398 674**

**Financial Report For The Year Ended 31 December 2014**

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**AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH  
ABN 44 673 398 674  
AND CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH**

We have audited the financial report of the Australian Education Union Victorian Branch, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes, including the Committee of Management Statement, of the consolidated entity comprising the Australian Education Union Victorian Branch and the entities it controlled at the year's end or from time to time during the financial year.

**Committee of Management's and Branch Secretary's Responsibility for the Financial Report**

The committee of management and branch secretary of the Australian Education Union Victorian Branch are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**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 we 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 procedures selected depend on the auditor's judgement, including the assessment of the risks 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 entity's preparation and fair presentation of the financial report 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 the committee of management and branch secretary, 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.

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10-12 Chapel Street  
Blackburn Vic 3130

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Blackburn Vic 3130

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W: charmanpartners.com

Directors  
N.G. Johnston, CPA    W.C. Goodwin, CA  
M.P. Barson, FCA    D.M. Gow, CPA

We meet the definition of approved auditor in Regulation 4 of the Fair Work (Registered Organisations) Regulation 2009.

As part of the audit of the financial statements, we have concluded that the management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate.

#### **Independence**

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements and the Fair Work (Registered Organisations) Regulations 2009.

#### **Audit Opinion**

In our opinion, the general purpose financial report of Australian Education Union Victorian Branch is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

**Name of Firm:** Charman Partners

**Partner :**



**Mark Peter Barson**  
Registered Company Auditor  
Member of the Institute of Chartered Accountants in Australia holding a  
current Public Practice Certificate

**Date :**

5th September 2015

**AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH ABN: 44 673 398 674  
AND CONTROLLED ENTITIES  
AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF  
THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF AUSTRALIAN EDUCATION UNION VICTORIAN  
BRANCH**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2014 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Name of Firm CHARMAN PARTNERS

Name of Partner   
Mark Barson

Date

5/9/2015

Address

Suite 4, 10-12 Chapel Street

BLACKBURN VIC 3130

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

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

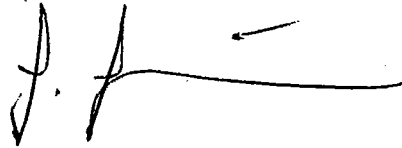
**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**

Certificate for the period ended 31 December 2014

I, Gillian Robertson, being the Branch Secretary of the Australian Education Union Victorian Branch certify:

- that the documents lodged herewith are copies of the full report for the Australian Education Union Victorian Branch for the period ended 31 December 2014 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 13<sup>th</sup> August 2015 and
- that the full report was presented to a meeting of the committee of management being the AEU Victorian Branch Council of the Australian Education Victorian Branch on 4 September 2015 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:

A handwritten signature in black ink, appearing to be 'G. Robertson', with a long horizontal stroke extending to the right.

Name of prescribed designated officer: Gillian Robertson

Title of prescribed designated officer: Branch Secretary

Dated: 7 September, 2015

## OPERATING REPORT

*for the period ended 31 December 2014*

### Review of principal activities and results of operations

The AEU is a professional and industrial organisation, registered under the Fair Work (Registered Organisations) Act 2009, representing teachers and other education workers in public early childhood education centres, schools, TAPE institutes, AMES and disability centres across Victoria. The AEU is a democratic, federated structure with the Victorian branch based in Abbotsford.

The primary objective of the AEU is to represent the professional and industrial interests of its members and to promote and defend Victoria's high quality public education system. We do this by enacting strategies and campaigns which enhance the working conditions, living standards and professional rights of members and the learning environment of students attending public early childhood education centres, schools, TAPE institutes, AMES and disability centres.

The AEU is a democratic, membership-focused organisation, always aiming to act in the best interests of members and the public education system. The union at all levels operates on principles of effective transparent governance and strong leadership, providing an effective voice for the education profession in Victoria.

The principal activities of the AEU Victorian Branch during the 2014 financial year have focussed on the achievement of the following strategic objectives:

1. Politically effective and a strong advocate for public education, unionism and a leader in the development of the public education sector
2. Growing and striving to achieve a membership of 100% of the entire public education industry workforce
3. Successful in delivering high quality and relevant services to the members
4. Facilitating an empowered workforce that is, engaged in the union and active
5. Effective and sustainable through sound management, strong processes, appropriate use of technology and with a diverse workforce that is respected, recognised, resourced and with a team focus

Throughout 2014 the schools sector of the branch continued their involvement in the AEU's national campaign to secure changes to the federal funding formula for Australian schools. The campaign's aim is to achieve a fairer funding formula from the Federal government that recognises that public schools are the primary funding obligation of the Federal government and that the current funding formula implemented by the Abbott government is unfair and totally ignores issues of need and equity.

The schools sector also developed and implemented the Put Education 1<sup>st</sup> campaign, the main objectives being:

1. Reducing class sizes
2. Providing a curriculum that meets students individual needs
3. More support for all kids
4. Building and maintaining classrooms
5. Ongoing professional development for school leaders and staff

The early childhood sector of the union worked on a number of sector specific objectives. The implementation of the Universal Access 15 hour preschool program continued to provide a focus of the work of the sector and the importance of the increased 15 hours commitment in delivering long term educational outcomes for these children.

The early childhood sector was also involved in a campaign to secure a new industrial agreement for all members in early childhood centres – teachers and co-educators. That campaign will continue into 2015. Negotiations for the two major enterprise agreements which will cover or provide benchmarks for terms and conditions for the bulk of the early childhood



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sector have been another major focus of the union's work in this sector. Negotiations of EBAs for a number of local government authorities and early intervention agencies standing outside the broader sector agreements also required our attention.

Pursuit of early childhood teacher registration continued. Growing membership and building links across the membership and with potential members has been another significant part of the sector's work; connecting them through specific networks such as that for the preschool Field Officers and teachers in long day care settings, and most notably, through the Teachers Victoria Facebook group.

The AEU TAFE sector continued to campaign vigorously during 2014 to build broad based community support for the public TAFE system and to keep the community aware of the State government's attacks on TAFE. The relentless attacks on the Victorian TAFE system continued throughout 2014 and drove the AEU's work of the TAFE sector through to the state election in November. The ruthless slashing of funding to the public TAFE system has seen Institutes struggle to remain viable, especially in regional areas, thousands of staff lose their jobs and courses and campuses close across the State.

The TAFE sector also continued to drive a campaign to secure a new industrial state-wide agreement for all members in TAFE Institutes. That campaign commenced in 2013 and will need to continue into 2015 because an agreement has not been achieved at any of the Institutes.

The Disability sub-sector focused their work on the building of representative networks and developing stakeholder groups with the intention of influencing government policy during the implementation of the NDIS.

The AMES sub-sector continued their work in negotiating a new industrial agreement for members. Work was also undertaken to ensure the current agreement was fully understood by members and the employer.

The AEU also continued developing and improving internal policies for finance and human resources to ensure we strive to achieve best practice in those, and related, areas. The union has also spent time to ensure we document and correctly articulate the processes for all elections to members and related stakeholders. This is in preparation for all future elections including those in 2015.

### ***Results of activities***

Throughout 2014, the AEU Victorian branch's efforts in the Gonski and Put Education 1<sup>st</sup> campaigns realised an increase in massive public awareness of school funding inequity. The AEU and school communities continued to promote the positive outcomes for students of increased funding. Across Victoria, parents, teachers and principals spoke of the importance of fair and equitable funding for their schools, and of the demonstrated connection between additional resourcing for schools and improved student outcomes. A better and fairer funding formula for schools was high on the issues of voters at the state election.

The AEU worked with the federal office and all other branches and associated bodies to secure an extension of the national partnership which funds the early childhood 15 hours commitment. Long term commitment beyond 2015 of the federal government to this program has yet to be achieved.

The AEU's TAFE4ALL campaign delivered massive recognition of the dire situation faced by most TAFE institutes in Victoria, as well as the individual impact for students involved in vocational education and training in Victoria. The union's campaigning activities built a strong presence on social media and within the media at large. We have been successful in engaging a broad cross section of the Victorian community in this campaign, including students, other unions, Victorian Trades Halls, community groups, local councils and politicians from various political parties. The impact of the campaign saw the incoming Labor government commit to a full review of the current VET funding policy and to ensuring that all TAFE institutes remained

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financially viable so they can continue offering vocational education and training to their communities.

Submissions made by the AEU include the following:

Senate Inquiry into Speech Pathology, February 2014 (with the Federal AEU office)  
Performance and Development Guidelines to DEECD, March 2014

### Significant changes in financial affairs

There were no significant changes in the financial affairs of the Branch.

### Right of members to resign

All members have a right to resign in accordance with rule 17 of the Union's Federal Office Registered Rules and section 174(1) of the Fair Work (Registered Organisations) Act 2009.

The policy of the Victorian Branch is detailed below:

1. When a member lodges a resignation from the Union it will take effect from either the date of the letter or date specified in the letter, whichever is later.
2. Where a member's resignation from the Union is received but not processed at the time, no disadvantage will be applied when the resignation is processed.
3. Branch Executive is authorized to vary this policy in exceptional circumstances and upon written request.
4. This policy is highlighted in the first edition of the AEU News each year.

It is imperative that the Union receives formal notification of member resignations.

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

The following members of our Branch Council are trustees of a superannuation entity or an exempt public sector superannuation scheme:

Dean Glare  
Angela Stringer

Both are directors of the Emergency Services Superannuation Board (Victoria).

The following members are directors of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme:

Barbra Norris  
Christine Stewart

Both are directors of VicSuper.

### Number of members

The number of persons who, at the end of the financial year, were recorded in the register of members and who are taken to be members of the Branch was 47,935.

### Number of employees

The numbers of persons who were, at the end of the financial year, employees of the Branch including both full time and part time employees measured on a full time basis was 82.

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**Branch Council members for 2014 and period positions held during the year**

ANGUS, Cheryl	
ATKINSON, Anthony	
AUGERINOS, Andrew	
AULICH, Erin	
AULICH, Seona	
BARCLAY, Greg	
BELL, John	
BLACKBURN, Garry	Commenced 24.10.14
BORGER, Ruth	Commenced 13.6.14
BOYDEN, Rebecca	
BROOKES, Gillian	
BURTON, Tanya	
BUTLER, Mick	
CLANCY, Carolyn	
CLARKE, Brian	
CLARK, Fiona	Resigned 24.7.14
COHEN, Daniel	Resigned 25.2.14
CROTTY, Judith	Resigned 20.10.14
CROWLEY, Caitlin	Resigned 10.2.14
DAVIS, Aaron	Commenced 21.3.14
DAVIS, Gayle	
DAVIES, Lisa	Resigned 25.7.14
DE MORTON, Phillip	
DENT, Dian	Commenced 21.3.14
DEW, Daniel	
DEWS, Merrilyn	
DIXON, Lyn	Resigned 14.5.14
DODGSHUN, Andrew	
D'ORTENZIO, Marino	
DOWN, Caitlin	Resigned 5.3.14
DUNCAN, Briley	
EAMES, Anthony	Resigned 21.7.14
ESSEX, Michael	
FARQUHAR, Reginald	
FARRELLY, Rita	
FECHNER, Lucinda	

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FISCHER, Debra	
FITNESS, Annaka	
FOENANDER, Jan	Resigned 19.12.14
GANOSIS, Sylvia	
GHIOTTI, Beth	
GILLESPIE, Elaine	
GLARE, Dean	
GOULD, Jason	Commenced 24.10.14
GRADY, Peter	
GRAROCK, Max	
GRAY, Lauren	Resigned 6.11.14
HADDOW, Sally	
HALDEN, Andrea	
HANNAH, Lyn	Resigned 4.2.14
HARRIS, Justin	
HARRISON, Sarah	Commenced 1.8.14
HEEREMANS, Megan	
HINES, Anne	
HONAN, Lucy	
HUMPHRIES, Ann	
HUSSEY, Mick	
JACKSON, Ross	
JEFFS, Stephen	Resigned 11.6.14
JENNINGS, Bronwyn	
JOHNSTON, Wayne	Commenced 21.3.14
JONES, Carol	Commenced 1.8.14
JONES, Craig	
KIRBY, Sue	
KOLBER, Jemina	
KUMAR, Andrew	Resigned 2.12.14
LACK, Ian	
LAMBIE, Chris	
LOVELOCK, Chris	
LUCIANO, Sabrina	
LYLAK, Nicole	
MACARDY, Rae	
MACKENZIE, Rod	

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

MacPHERSON, Deb	
MASIERO, Antoinette	
MCINTOSH, Fiona	Commenced 13.6.14
McPHERSON, Hamish	
MENZ, Martel	
MERKENICH, Mary	
MORTON, Euan	
MULLALY, Justin	
MURPHY, Brendan	
MUSTON, Robert	
NIGHTINGALE, Cara	
O'DWYER, Dianne	
O'FLAHERTY, Maureen	
O'GRADY, Erin	
PARATHIRA, Vicki	Commenced 13.6.14
PARR, Sarah	
PARRY, Kerry	Commenced 5.9.14
PATA, Alastair	
PATANE, Jessica	
PATRICK, Sue	
PATTON, Felix	Resigned 19.2.14
PEACE, Meredith	
PERERA, Belinda	
PERRY, Pamela	
PETERS, Courtney	Resigned 12.2.14
PONTIKIS, Mary-Anne	
POPE, Kevin	
QUINN, Shayne	
QUINN, Wendy	
RANKIN, James	
REIDY, Barbara	
RENTON, Jennifer	
RICHEY, Zoe	
ROBERTSON, Gillian	
SANTAERA, Diana	
SHARP, Kathy	
SHELL, Donna	

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SLATTER, Vivien	
SMITH, Phillip	
SMITH, Wayne	
SPILLER, Susan	Resigned 17.3.14
STEANE, Valerie	
STEVENSON, Anne	
STRINGER, Angela	
TARANTO, Alesia	
TATE, Sheriden	Commenced 5.9.14
TEAGUE, Chantal	Commenced 21.3.14
TENSON, Katrina	
TOOHEY, Jacqueline	Resigned 29.4.14
TRICKEY, Helen	
VAN LEEST, Barbara	Commenced 24.10.14
WALKER, Peter	
WALTERS, Debbie	Commenced 13.6.14
WARREN, Athena	
WIGHT, Philip	
WILKINSON, Graeme	
WITHERS, Alison	



Signature of designated officer: \_\_\_\_\_

Name and title of designated officer: Gillian Robertson, Branch Secretary

Dated: 1<sup>st</sup> May 2015

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

**COMMITTEE OF MANAGEMENT STATEMENT**

*for the period ended 31 December 2014*

On the 4 September 2015 the AEU Victorian Branch Council of the Australian Education Union Victorian Branch passed the following resolution in relation to the general purpose financial report (GPRF) for the year ended 31 December 2014:

The AEU Victorian Branch Council declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the 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 reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
  - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
  - (v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
  - (vi) 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.
- (f) 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 Branch Council.

Signature of designated officer: 

Name and title of designated officer: Gillian Robertson, Branch Secretary

Dated: 4 September 2015

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

**STATEMENT OF COMPREHENSIVE INCOME**

for the period ended 31 December 2014

	Notes	Consolidated		Parent	
		2014	2013	2014	2013
		\$	\$	\$	\$
<b>Revenue</b>					
Membership subscription*		20,819,391	21,515,456	20,819,391	21,515,456
Capitation fees	3A	0	0	0	0
Levies	3B	1,075,585	1,309,851	1,075,585	1,309,851
Interest	3C	253,541	177,459	253,145	176,519
Rental revenue	3D	1,893,287	1,909,082	1,258,046	1,288,126
Other revenue		24,436	31,873	24,436	31,873
<b>Total revenue</b>		<b>24,066,240</b>	<b>24,943,721</b>	<b>23,430,603</b>	<b>24,321,825</b>
<b>Other Income</b>					
Grants and/or donations	3E	-	-	-	-
Share of net profit from associate	6E	-	-	-	-
Net gains from sale of assets	3F	1,200	4,265	1,200	4,265
<b>Total other income</b>		<b>1,200</b>	<b>4,265</b>	<b>1,200</b>	<b>4,265</b>
<b>Total income</b>		<b>24,067,440</b>	<b>24,947,986</b>	<b>23,431,803</b>	<b>24,326,090</b>
<b>Expenses</b>					
Employee expenses	4A	10,893,312	10,286,370	10,893,312	10,286,370
Capitation fees	4B	2,215,480	1,966,740	2,215,480	1,966,740
Affiliation fees	4C	211,786	172,788	211,786	172,788
Administration expenses	4D	6,274,563	5,854,536	6,099,668	5,660,641
Grants or donations	4E	120,912	94,204	120,912	94,204
Depreciation and amortisation	4F	385,939	812,873	384,690	812,313
Finance costs	4G	799,615	846,737	799,615	846,737
Legal costs	4H	924,578	1,021,862	923,498	1,020,240
Audit fees	14	51,270	40,110	47,000	35,850
Share of net loss from associate	6E	-	-	-	-
Write-down and impairment of assets	4I	-	-	-	-
Net losses from sale of assets	4J	-	-	-	-
Other expenses	4K	552,555	110,578	-	-
<b>Total expenses</b>		<b>22,430,010</b>	<b>21,206,798</b>	<b>21,695,962</b>	<b>20,895,883</b>
<b>Profit (loss) for the year</b>		<b>1,637,430</b>	<b>3,741,188</b>	<b>1,735,841</b>	<b>3,430,207</b>
<b>Other comprehensive income</b>					
Items that will not be subsequently reclassified to profit or loss		-	-	-	-
Gain on revaluation of land & buildings		1,429,560	-	-	-
<b>Total comprehensive income for the year</b>		<b>3,066,990</b>	<b>3,741,188</b>	<b>1,735,841</b>	<b>3,430,207</b>

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



AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

**STATEMENT OF FINANCIAL POSITION**

as at 31 December 2014

	Notes	Consolidated		Parent	
		2014	2013	2014	2013
		\$	\$	\$	\$
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	5A	11,000,899	8,911,476	10,984,290	8,690,171
Trade and other receivables	5B	774,247	824,241	758,031	800,246
Other current assets	5C	460,490	297,962	460,490	297,962
<b>Total current assets</b>		<b>12,235,636</b>	<b>10,033,679</b>	<b>12,202,811</b>	<b>9,788,379</b>
<b>Non-Current Assets</b>					
Land and buildings	6A	33,395,118	31,929,713	16,645,118	16,645,118
Plant and equipment	6B	259,158	533,945	240,570	523,513
Investment Property	6C	-	-	-	-
Intangibles	6D	-	-	-	-
Investments in associates	6E	-	-	-	-
Other investments	6F	-	-	8,000,000	8,000,000
Other non-current assets	6G	1,537	3,902	495,668	1,017,675
<b>Total non-financial assets</b>		<b>33,655,813</b>	<b>32,467,560</b>	<b>25,381,356</b>	<b>26,186,306</b>
<b>Total assets</b>		<b>45,891,449</b>	<b>42,501,239</b>	<b>37,584,167</b>	<b>35,974,685</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Trade payables	7A	50,483	42,763	50,483	42,763
Other payables	7B	1,104,328	1,114,029	1,033,918	1,054,744
Employee provisions	8A	851,130	867,958	851,130	867,958
<b>Total current liabilities</b>		<b>2,005,941</b>	<b>2,024,750</b>	<b>1,935,531</b>	<b>1,965,465</b>
<b>Non-Current Liabilities</b>					
Employee provisions	8A	1,411,829	1,407,869	1,411,829	1,407,869
Other non-current liabilities	9A	19,054,352	18,716,283	17,802,208	17,902,593
<b>Total non-current liabilities</b>		<b>20,466,181</b>	<b>20,124,152</b>	<b>19,214,037</b>	<b>19,310,462</b>
<b>Total liabilities</b>		<b>22,472,122</b>	<b>22,148,902</b>	<b>21,149,568</b>	<b>21,275,927</b>
<b>Net assets</b>		<b>23,419,327</b>	<b>20,352,337</b>	<b>16,434,599</b>	<b>14,698,758</b>
<b>EQUITY</b>					
General funds	10A	-	-	-	-
Retained earnings		23,419,327	20,352,337	16,434,599	14,698,758
<b>Total equity</b>		<b>23,419,327</b>	<b>20,352,337</b>	<b>16,434,599</b>	<b>14,698,758</b>

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

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

**STATEMENT OF CHANGES IN EQUITY**

*for the period ended 31 December 2014*

Consolidated	Notes	General funds \$	Retained earnings \$	Total equity \$
<b>Balance as at 1 January 2013</b>		-	16,611,149	16,611,149
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Profit for the year		-	-	3,741,188
Other comprehensive income for the year		-	-	-
Transfer to/from <i>[insert fund name]</i>	10A	-	-	-
Transfer from retained earnings		-	-	-
<b>Closing balance at 31 December 2013</b>		-	20,352,337	20,352,337
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Profit for the year		-	3,066,990	3,066,990
Other comprehensive income for the year		-	-	-
Transfer to/from <i>[insert fund name]</i>	10A	-	-	-
Transfer from retained earnings		-	-	-
<b>Closing balance at 31 December 2014</b>		-	23,419,327	23,419,327
<b>Parent</b>	Notes	General funds \$	Retained earnings \$	Total equity \$
<b>Balance as at 1 January 2013</b>		-	11,268,551	11,268,551
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Profit for the year		-	3,430,207	3,430,207
Other comprehensive income for the year		-	-	-
Transfer to/from <i>[insert fund name]</i>	10A	-	-	-
Transfer from retained earnings		-	-	-
<b>Closing balance at 31 December 2013</b>		-	14,698,758	14,698,758
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Profit for the year		-	1,735,841	1,735,841
Other comprehensive income for the year		-	-	-
Transfer to/from <i>[insert fund name]</i>	10A	-	-	-
Transfer from retained earnings		-	-	-
<b>Closing balance at 31 December 2014</b>		-	16,434,599	16,434,599

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

**AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH**

**CASHFLOW STATEMENT**

*for the period ended 31 December 2014*

		Consolidated		Parent	
	Notes	2014	2013	2014	2013
		\$	\$	\$	\$
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Receipts from other reporting units/controlled entity(s)	11B	-	-	1,021,567	920,059
Interest		253,541	177,459	253,145	176,519
Other		25,373,026	26,971,945	24,700,261	26,349,031
<b>Cash used</b>					
Employees		(9,831,553)	(9,008,694)	(9,831,553)	(9,008,694)
Suppliers		(11,278,574)	(11,582,703)	(10,929,764)	(11,213,251)
Payment to other reporting units/controlled entity(s)	11B	(2,215,480)	(1,966,740)	(2,717,405)	(2,597,762)
<b>Net cash from (used by) operating activities</b>	11A	<b>2,300,960</b>	<b>4,591,267</b>	<b>2,496,251</b>	<b>4,625,902</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sale of plant and equipment		0	0	0	0
Proceeds from sale of land and buildings		-	-	-	-
Other		-	-	-	-
<b>Cash used</b>					
Purchase of plant and equipment		(111,152)	(212,589)	(101,747)	(204,749)
Purchase of land and buildings		-	-	-	-
Other		-	-	-	-
<b>Net cash from (used by) investing activities</b>		<b>(111,152)</b>	<b>(212,589)</b>	<b>(101,747)</b>	<b>(204,749)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity		-	-	-	-
Other		-	-	-	-
<b>Cash used</b>					
Repayment of borrowings		(100,385)	(74,262)	(100,385)	(74,262)
Other		-	-	-	-
<b>Net cash from (used by) financing activities</b>		<b>(100,385)</b>	<b>(74,262)</b>	<b>(100,385)</b>	<b>(74,262)</b>
<b>Net increase (decrease) in cash held</b>		<b>2,089,423</b>	<b>4,304,416</b>	<b>2,294,119</b>	<b>4,346,891</b>
<b>Cash &amp; cash equivalents at the beginning of the reporting period</b>		<b>8,911,476</b>	<b>4,607,060</b>	<b>8,690,171</b>	<b>4,343,280</b>
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	5A	<b>11,000,899</b>	<b>8,911,476</b>	<b>10,984,290</b>	<b>8,690,171</b>

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

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

**RECOVERY OF WAGES ACTIVITY\***

for the period ended 31 December 2014

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
Cash assets in respect of recovered money at beginning of year	-	-	-	-
<b>Receipts</b>				
Amounts recovered from employers in respect of wages etc.	-	-	-	-
Interest received on recovered money	-	-	-	-
<b>Total receipts</b>	-	-	-	-
<b>Payments</b>				
Deductions of amounts due in respect of membership for:				
12 months or less	-	-	-	-
Greater than 12 months	-	-	-	-
Deductions of donations or other contributions to accounts or funds of:				
The reporting unit:				
name of account	-	-	-	-
name of fund	-	-	-	-
Name of other reporting unit of the organisation:				
name of account	-	-	-	-
name of fund	-	-	-	-
Name of other entity:				
name of account	-	-	-	-
name of fund	-	-	-	-
Deductions of fees or reimbursement of expenses	-	-	-	-
Payments to workers in respect of recovered money	-	-	-	-
<b>Total payments</b>	-	-	-	-
<b>Cash asset's in respect of recovered money at end of year</b>	-	-	-	-
Number of workers to which the monies recovered relates	-	-	-	-
<b>Aggregate payables to workers attributable to recovered monies but not yet distributed</b>				
Payable balance	-	-	-	-
Number of workers the payable relates to	-	-	-	-
<b>Fund or account operated for recovery of wages</b>				
None	-	-	-	-

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

Notes to the financial statements for the year ended 31 December 2014

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# AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

Notes to the financial statements for the year ended 31 December 2014

## 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 Australian Education Union Victorian Branch 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.

The comparative amounts in the Cash flow Statement have been restated to correct errors made in the previous financial year. Previously, Good and Services Tax had been excluded from the amounts reported. In addition, disclosure of amounts paid to other reporting units and employees have been made

The effect has been to increase the following line items in the Cash/Flow Statement.

	Consolidated 2013	Parent 2013
Cash Received		
Other	2,309,146	2,344,017
Cash Used		
Employees	9,008,694	9,008,694
Suppliers	(8,882,865)	(8,840,430)
Payment to other Reporting Unit	1,966,740	1,966,740

### 1.3 Significant accounting judgements and estimates

There are no accounting assumptions or estimates 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. The accounting policies adopted are consistent with those of the previous financial year.

## AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

Notes to the financial statements for the year ended 31 December 2014

### ***Future Australian Accounting Standards Requirements***

No new standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period are expected to have a future financial impact on the Australian Education Union Victorian Branch

### **1.5 Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Australian Education Union Victorian Branch and entities (including special purpose entities) controlled by the Australian Education Union Victorian Branch (its subsidiaries). Control is achieved where the Australian Education Union Victorian Branch has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expense of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Australian Education Union Victorian Branch and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Australian Education Union Victorian Branch.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Australian Education Union Victorian Branch ownership interests in subsidiaries that do not result in the Australian Education Union Victorian Branch losing control are accounted for as equity transactions. The carrying amounts of the Australian Education Union Victorian Branch interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Australian Education Union Victorian Branch.

When the Australian Education Union Victorian Branch loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Australian Education Union Victorian Branch had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under *AASB 139 'Financial Instruments: Recognition and Measurement'* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

## AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

Notes to the financial statements for the year ended 31 December 2014

### 1.5 Investment in associates

An associate is an entity over which the Australian Education Union has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with AASB 5 'Non-current Asset Held for Sale and Discontinued Operations'. Under the equity method, an investment in an associate is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the share of the profit or loss and other comprehensive income of the associate. When the share of losses of an associate exceeds the interest in that associate, the Australian Education Union Victorian Branch discontinues recognising its share of further losses. Additional losses are recognised only to the extent that it has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

### 1.6 Business combinations

The acquisition method of accounting is used to account for all business combinations, except for those identified in the *Fair Work Commissions reporting guidelines* under item 12. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interest issued by the parent entity. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values on acquisition date. On an acquisition-by-acquisition basis, the parent entity recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the parent entity's share of the net identifiable assets, is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

If it is determined that the combination results in mutual benefit to both the members of the acquirer and the acquiree, the surplus of the fair value of the net identifiable assets acquired over the consideration paid will be recognised in member's funds as a business combination reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount



## AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

### Notes to the financial statements for the year ended 31 December 2014

rate used is the entity's incremental borrowing rate, being the rate at which similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

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

The net book value of assets and or liabilities transferred to Australian Education Union Victorian Branch for no consideration is used to account for an amalgamation under Part 2 of Chapter 3 of the *Fair Work (Registered Organisations) Act 2009/a* restructure of the branches of the Australian Education Union Victorian Branch a determination by the General Manager under subsections 245(1) of the *Fair Work (Registered Organisations) Act 2009/* a revocation by the General Manager under subsection 249(1) of the *Fair Work (Registered Organisations) Act 2009*.

The assets and liabilities are recognised as at the date of transfer.

#### **1.8 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 impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

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

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

#### **1.9 Government grants**

Government grants are not recognised until there is reasonable assurance that the Australian Education Union Victorian Branch 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 Australian Education Union Victorian Branch recognises as expenses the related costs for which the grants are intended to compensate. Specifically,

## AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

### Notes to the financial statements for the year ended 31 December 2014

government grants whose primary condition is that the Australian Education Union Victorian Branch 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 Australian Education Union Victorian Branch with no future related costs are recognised in profit or loss in the period in which they become receivable.

#### 1.10 Gains

##### ***Sale of assets***

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

#### 1.11 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.

#### 1.12 Employee benefits

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

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. Reporting Unit recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

#### 1.13 Leases

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

## AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

### Notes to the financial statements for the year ended 31 December 2014

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the 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.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

#### **1.14 Borrowing costs**

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

#### **1.15 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 consolidated statement of financial position.

#### **1.16 Financial instruments**

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

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

#### **1.17 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

## AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

Notes to the financial statements for the year ended 31 December 2014

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 reporting unit 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 reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

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

### ***Held-to-maturity investments***

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

### ***Available-for-sale***

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment 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.

## AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

Notes to the financial statements for the year ended 31 December 2014

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that 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.

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 reporting units 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

## AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

Notes to the financial statements for the year ended 31 December 2014

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.

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 Australian Education Union Victorian 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 asset's 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.

### **1.18 Financial liabilities**

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

#### ***Fair value through profit or loss***

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

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit 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:

## AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

### Notes to the financial statements for the year ended 31 December 2014

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

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

#### ***Other financial liabilities***

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

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

#### ***Derecognition of financial liabilities***

The reporting unit derecognises financial liabilities when, and only when, the reporting units 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.

### **1.19 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.

### **1.20 Land, buildings, plant and equipment**

#### ***Asset recognition threshold***

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

#### ***Revaluations—land and buildings***

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not

## AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

### Notes to the financial statements for the year ended 31 December 2014

differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount. Both buildings were valued on 14<sup>th</sup> May 2014.

#### ***Depreciation***

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2014	2013
Land & buildings	40 years	40 years
Plant and equipment	3 years	3 years

#### ***Derecognition***

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal

or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

#### **1.21 Investment property**

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.



## AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

Notes to the financial statements for the year ended 31 December 2014

### 1.22 Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The useful life of Australian Education Union Victorian Branch intangible assets are:

	2014	2013
Intangibles	NIL	NIL

#### ***Derecognition***

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised.

### 1.23 Impairment for non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Australian Education Union Victorian Branch were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

### 1.24 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

### 1.25 Taxation

The Australian Education Union Victorian Branch is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

## AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

Notes to the financial statements for the year ended 31 December 2014

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

### 1.26 Fair value measurement

The Australian Education Union Victorian 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 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 [reporting unit]. 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 Australian Education Union Victorian 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:

## AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

Notes to the financial statements for the year ended 31 December 2014

- 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 Australian Education Union Victorian 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 Australian Education Union Victorian 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.

### **1.27 Going Concern**

The Australian Education Union Victorian Branch does not receive any financial support to continue on an ongoing basis.

The Australian Education Union Victorian Branch has not provided any financial support to another reporting unit to ensure continuation on an ongoing basis.

### **1.28 Financial Support from another reporting unit**

The Australian Education Union Victorian Branch has not received any financial support from another reporting unit.

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

Notes to the financial statements for the year ended 31 December 2014

**Note 2 Events after the reporting period**

There were no events that occurred after 30 June 2014, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Australian Education Union Victorian Branch.

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$

**Note 3 Income**

**Note 3A: Capitation fees\***

None	-	-	-	-
<b>Total capitation fees</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note 3B: Levies\***

Public Education campaign Levy	1,075,585	1,309,851	1,075,585	1,309,851
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The purpose of the levy is to provide separate funding for public education campaign purposes. The levy is set at \$25 for members employed 0.6 and above and \$12.50 for members employed 0.5 or below.

<b>Total levies</b>	<b>1,075,585</b>	<b>1,309,851</b>	<b>1,075,585</b>	<b>1,309,851</b>
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**Note 3C: Interest**

Deposits	253,541	177,459	253,145	176,519
Loans	-	-	-	-
<b>Total interest</b>	<b>253,541</b>	<b>177,459</b>	<b>253,145</b>	<b>176,519</b>

**Note 3D: Rental revenue**

Properties	1,893,287	1,909,082	1,258,046	1,288,126
Other	-	-	-	-
<b>Total rental revenue</b>	<b>1,893,287</b>	<b>1,909,082</b>	<b>1,258,046</b>	<b>1,288,126</b>

**Note 3E: Grants or donations\***

Grants	-	-	-	-
Donations	-	-	-	-
<b>Total grants or donations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

Notes to the financial statements for the year ended 31 December 2014

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
<b>Note 3F: Net gains from sale of assets</b>				
Land and buildings	-	-	-	-
Plant and equipment	1,200	4,265	1,200	4,265
Intangibles	-	-	-	-
<b>Total net gain from sale of assets</b>	1,200	4,265	1,200	4,265

**Note 4 Expenses**

**Note 4A: Employee expenses\***

**Holders of office:**

Wages and salaries	1,348,336	1,310,058	1,348,336	1,310,058
Superannuation	257,709	249,187	257,709	249,187
Leave and other entitlements	220,198	213,947	220,198	213,947
Separation and redundancies	-	-	-	-
Other employee expenses	156,117	215,162	156,117	215,162
<b>Subtotal employee expenses holders of office</b>	1,982,360	1,988,354	1,982,360	1,988,354

**Employees other than office holders:**

Wages and salaries	5,791,709	5,638,692	5,791,709	5,368,692
Superannuation	1,107,758	1,011,082	1,107,758	1,011,082
Leave and other entitlements	974,017	895,801	974,017	895,801
Separation and redundancies	172,477	116,557	172,477	116,557
Other employee expenses	864,991	907,532	864,991	907,532
<b>Subtotal employee expenses employees other than office holders</b>	8,910,952	8,299,664	8,910,952	8,299,664
<b>Total employee expenses</b>	10,893,312	10,288,018	10,893,312	10,288,018

**Note 4B: Capitation fees\***

<i>AEU Federal Branch</i>	2,215,480	1,966,750	2,215,480	1,966,750
<b>Total capitation fees</b>	2,215,480	1,966,750	2,215,480	1,966,750

**Note 4C: Affiliation fees\***

<i>Victorian Trades Hall Council</i>	211,786	172,788	211,786	172,788
<b>Total affiliation fees/subscriptions</b>	211,786	172,788	211,786	172,788

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Notes to the financial statements for the year ended 31 December 2014

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
<b>Note 4D: Administration expenses</b>				
Consideration to employers for payroll deductions*	-	-	-	-
Compulsory levies*	-	-	-	-
Fees/allowances - meeting and conferences*	-	-	-	-
Conference and meeting expenses*	335,988	388,786	335,988	388,786
Contractors/consultants	-	-	-	-
Property expenses	725,320	682,444	550,662	489,865
Office expenses	78,954	82,439	78,954	82,439
Information communications technology	761,145	646,719	761,145	646,719
Other	3,766,372	3,496,963	3,766,135	3,495,647
<b>Subtotal administration expense</b>	<b>5,667,779</b>	<b>5,297,351</b>	<b>5,492,884</b>	<b>5,103,456</b>
Operating lease rentals:				
Minimum lease payments	606,784	557,185	606,784	557,185
<b>Total administration expenses</b>	<b>6,274,563</b>	<b>5,854,536</b>	<b>6,099,668</b>	<b>5,660,641</b>
<b>Note 4E: Grants or donations*</b>				
<b>Grants:</b>				
Total paid that were \$1,000 or less	-	-	-	-
Total paid that exceeded \$1,000	80,000	80,000	80,000	80,000
<b>Donations:</b>				
Total paid that were \$1,000 or less	1,685	1,886	1,685	1,886
Total paid that exceeded \$1,000	39,227	12,318	39,227	12,318
<b>Total grants or donations</b>	<b>120,912</b>	<b>94,204</b>	<b>120,912</b>	<b>94,204</b>
<b>Note 4F: Depreciation and amortisation</b>				
<b>Depreciation</b>				
Land & buildings	-	-	-	-
Property, plant and equipment	385,939	812,873	384,690	812,313
<b>Total depreciation</b>	<b>385,939</b>	<b>812,873</b>	<b>384,690</b>	<b>812,313</b>
<b>Amortisation</b>				
Intangibles	-	-	-	-
<b>Total amortisation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total depreciation and amortisation</b>	<b>385,939</b>	<b>812,373</b>	<b>384,690</b>	<b>812,313</b>

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Notes to the financial statements for the year ended 31 December 2014

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
<b>Note 4G: Finance costs</b>				
Operating leases	799,615	846,737	799,615	846,737
Overdrafts/loans	-	-	-	-
Unwinding of discount	-	-	-	-
<b>Total finance costs</b>	<b>799,615</b>	<b>846,737</b>	<b>799,615</b>	<b>846,737</b>

**Note 4H: Legal costs\***

Litigation	922,017	1,019,238	922,017	1,019,238
Other legal matters	2,561	2,624	1,481	1,002
<b>Total legal costs</b>	<b>924,578</b>	<b>1,021,862</b>	<b>923,498</b>	<b>1,020,240</b>

**Note 4I: Write-down and impairment of assets**

Asset write-downs and impairments of:

Land and buildings	-	-	-	-
Plant and equipment	-	-	-	-
Intangible assets	-	-	-	-
Other	-	-	-	-
<b>Total write-down and impairment of assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note 4J: Net losses from sale of assets**

Land and buildings	-	-	-	-
Plant and equipment	-	-	-	-
Intangibles	-	-	-	-
<b>Total net losses from asset sales</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note 4K: Other expenses**

Income Tax Expenses	552,555	110,578	-	-
Penalties imposed under the RO Act	-	-	-	-
<b>Total other expenses</b>	<b>552,555</b>	<b>110,578</b>	<b>-</b>	<b>-</b>

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Notes to the financial statements for the year ended 31 December 2014

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
<b>Note 5 Current assets</b>				
<b>Note 5A: Cash and cash equivalents</b>				
Cash at bank	274,844	1,305,951	258,235	1,084,646
Cash on hand	2,816	2,632	2,816	2,632
Short term deposits	10,723,239	7,602,893	10,723,239	7,602,893
Other	-	-	-	-
<b>Total cash and cash equivalents</b>	<b>11,000,899</b>	<b>8,911,476</b>	<b>10,984,290</b>	<b>8,690,171</b>
<b>Note 5B: Trade and other receivables</b>				
Receivables from other reporting unit[s]*				
]	-	-	-	-
<b>Total receivables from other reporting unit[s]</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Less provision for doubtful debts*				
]	-	-	-	-
<b>Total provision for doubtful debts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Receivable from other reporting unit[s] (net)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other receivables:</b>				
GST receivable from the Australian Taxation Office	-	-	-	-
Other trade receivables	774,247	824,241	758,031	800,246
<b>Total other receivables</b>	<b>774,247</b>	<b>824,241</b>	<b>758,031</b>	<b>800,246</b>
<b>Total trade and other receivables (net)</b>	<b>774,247</b>	<b>824,241</b>	<b>758,031</b>	<b>800,246</b>
<b>Note 5C: Other current assets</b>				
Prepayments	460,490	297,962	460,490	297,962
<b>Total other current assets</b>	<b>460,490</b>	<b>297,962</b>	<b>460,490</b>	<b>297,962</b>



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Notes to the financial statements for the year ended 31 December 2014

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
<b>Note 6 Non-current assets</b>				
<b>Note 6A: Land and buildings</b>				
Land and buildings:				
fair value	16,750,000	15,284,595		
cost	16,645,118	16,645,118	16,645,118	16,645,118
<b>Total land and buildings</b>	<b>33,395,118</b>	<b>31,929,713</b>	<b>16,645,118</b>	<b>16,645,118</b>

**Reconciliation of the opening and closing balances of land and buildings**

<b>As at 1 January</b>				
Gross book value	31,929,713	31,895,118	16,645,118	16,645,118
Accumulated depreciation and impairment	-	-	-	-
<b>Net book value 1 January</b>	<b>31,929,713</b>	<b>31,895,118</b>	<b>16,645,118</b>	<b>16,645,118</b>
Additions:				
By purchase	-	-	-	-
From acquisition of entities (including restructuring)	-	-	-	-
Revaluations	1,465,405	34,595	-	-
Impairments	-	-	-	-
Depreciation expense	-	-	-	-
Other movement <i>[give details below]</i>	-	-	-	-
Disposals:				
From disposal of entities (including restructuring)	-	-	-	-
Other	-	-	-	-
<b>Net book value 31 December</b>	<b>33,395,118</b>	<b>31,929,713</b>	<b>16,645,118</b>	<b>16,645,118</b>
<b>Net book value at 31 Dec represented by:</b>				
Gross book value	33,395,118	31,929,713	16,645,118	16,645,118
Accumulated depreciation and impairment	-	-	-	-
<b>Net book value 31 December</b>	<b>33,395,118</b>	<b>31,929,713</b>	<b>16,645,118</b>	<b>16,645,118</b>

*[Fair value disclosures required for land and buildings remeasured to fair value]*

If land and buildings were measured using the cost model, the carrying amounts would be as follows:

	2014	2013
	\$	\$
Cost	27,417,168	27,417,168
Accumulated depreciation and impairment		
Net carrying amount	27,417,168	27,417,168

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Notes to the financial statements for the year ended 31 December 2014

The revalued land and buildings consist of 112 Trenerry Crescent, Abbotsford, 3067. Management determined that these constitute one class of asset under AASB 13, based on the nature, characteristics and risks of the property.

Note 6A: Land and buildings (continued)

Fair value of the properties was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property. As at the date of revaluation 21<sup>st</sup> May 2014, the properties' fair values are based on valuations performed by DJ Dunn & Associates, an accredited independent valuer.

Consolidated		Parent	
2014	2013	2014	2013
\$	\$	\$	\$

Note 6B: Plant and equipment

Plant and equipment:

at cost	3,604,326	3,708,876	2,377,091	3,697,884
accumulated depreciation	(3,345,168)	(3,174,931)	(2,136,521)	(3,174,371)
<b>Total plant and equipment</b>	<b>259,158</b>	<b>533,945</b>	<b>240,570</b>	<b>523,513</b>

**Reconciliation of the opening and closing balances of plant and equipment**

As at 1 January				
Gross book value	3,708,876	4,364,903	3,697,884	4,361,383
Accumulated depreciation and impairment	(3,174,931)	(3,230,674)	(3,174,371)	(3,230,306)
<b>Net book value 1 January</b>	<b>533,945</b>	<b>1,134,229</b>	<b>523,513</b>	<b>1,131,077</b>
Additions:				
By purchase	111,153	212,589	101,747	204,749
From acquisition of entities (including restructuring)	-	-	-	-
Impairments	-	-	-	-
Depreciation expense	(385,940)	(812,873)	(384,690)	(812,313)
Other movement	-	-	-	-
Disposals:				
From disposal of entities (including restructuring)	-	-	-	-
Other	-	-	-	-
<b>Net book value 31 December</b>	<b>259,158</b>	<b>533,945</b>	<b>240,570</b>	<b>523,513</b>
<b>Net book value as of 31 December represented by:</b>				
Gross book value	3,604,326	3,708,876	2,377,091	3,697,884
Accumulated depreciation and impairment	(3,345,168)	(3,174,931)	(2,136,521)	(3,174,371)
<b>Net book value 31 December</b>	<b>259,158</b>	<b>533,945</b>	<b>240,570</b>	<b>523,513</b>

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Notes to the financial statements for the year ended 31 December 2014

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
<b>Note 6C: Investment property</b>				
Opening balance as at 1 July 2013	-	-	-	-
Additions	-	-	-	-
Net gain from fair value adjustment	-	-	-	-
<b>Closing balance as at 30 June 2014</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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Notes to the financial statements for the year ended 31 December 2014

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
<b>Note 6D: Intangibles</b>				
Computer software at cost:				
internally developed	-	-	-	-
Purchased	-	-	-	-
accumulated amortisation	-	-	-	-
<b>Total intangibles</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Reconciliation of the opening and closing balances of intangibles**

<b>As at 1 July</b>				
Gross book value	-	-	-	-
Accumulated amortisation and impairment	-	-	-	-
<b>Net book value 1 July</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Additions:				
By purchase	-	-	-	-
From acquisition of entities (including restructuring)	-	-	-	-
Impairments	-	-	-	-
Amortisation	-	-	-	-
Other movements	-	-	-	-
Disposals:				
From disposal of entities (including restructuring)	-	-	-	-
Other	-	-	-	-
<b>Net book value 30 June</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net book value as of 30 June represented by:</b>				
Gross book value	-	-	-	-
Accumulated amortisation and impairment	-	-	-	-
<b>Net book value 30 June</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note 6E: Investments in associates**

Investments in associates:

1	-	-	-	-
<b>Total equity accounted investments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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Notes to the financial statements for the year ended 31 December 2014

*Details of investments accounted for using the equity method*

Consolidated Name of entity	Principal activity	Ownership	
		2014 %	2013 %
Associates:	-	-	-
Parent Name of entity	Principal activity	2014 %	2013 %
Associates:	-	-	-
	Consolidated	Parent	
	2014	2013	2014
	\$	\$	\$

*Summary financial information of associates*

<b>Statement of financial position:</b>				
Assets	-	-	-	-
Liabilities	-	-	-	-
Net assets	-	-	-	-
<b>Statement of comprehensive income:</b>				
Income	-	-	-	-
Expenses	-	-	-	-
Net surplus/(deficit)	-	-	-	-
<b>Share of associates' net surplus/(deficit):</b>				
Share of net surplus/(deficit) before tax	-	-	-	-
Income tax expense	-	-	-	-
<b>Share of associates net surplus/(deficit) after tax</b>	-	-	-	-

Dividends received from associates \$0 (2012:\$0)

*Share of net profits from associates*

	-	-	-	-
<b>Total share of net profits from associates</b>	-	-	-	-

Note 6E: Investments in Associates

*Share of net loss from associates*

	-	-	-	-
<b>Total share of net loss from associates</b>	-	-	-	-

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Notes to the financial statements for the year ended 31 December 2014

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
<b>Note 6F: Other investments</b>				
Deposits	-	-	-	-
Other	-	-	8,000,000	8,000,000
<b>Total other investments</b>	<b>-</b>	<b>-</b>	<b>8,000,000</b>	<b>8,000,000</b>

**Note 6G: Other non-current assets**

Prepayments	-	-	-	-
Other	-	-	495,668	1,017,675
<b>Total other non-financial assets</b>	<b>-</b>	<b>-</b>	<b>495,668</b>	<b>1,017,675</b>

**Note 7 Current liabilities**

**Note 7A: Trade payables**

Trade creditors and accruals	50,483	42,763	50,483	42,763
Operating lease rentals	-	-	-	-
<b>Subtotal trade creditors</b>	<b>50,483</b>	<b>42,763</b>	<b>50,483</b>	<b>42,763</b>

**Payables to other reporting unit/s)\***

	-	-	-	-
<b>Subtotal payables to other reporting unit/s/</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>Total trade payables</b>	<b>50,483</b>	<b>42,763</b>	<b>50,483</b>	<b>42,763</b>
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**Note 7B: Other payables**

Wages and salaries	-	-	-	-
Superannuation	-	-	-	-
Consideration to employers for payroll deductions*	-	-	-	-
Legal costs*	-	-	-	-
Prepayments received/unearned revenue	129,364	146,843	129,364	146,843
GST payable	109,344	321,801	101,018	311,198
Other	865,620	620,208	803,536	596,703
<b>Total other payables</b>	<b>1,104,328</b>	<b>1,088,852</b>	<b>1,033,918</b>	<b>1,054,744</b>

Total other payables are expected to be settled in:

No more than 12 months	1,104,328	1,088,852	1,033,918	1,054,744
More than 12 months	-	-	-	-
<b>Total other payables</b>	<b>1,104,328</b>	<b>1,088,852</b>	<b>1,033,918</b>	<b>1,054,744</b>

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Notes to the financial statements for the year ended 31 December 2014

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
<b>Note 8 Provisions</b>				
<b>Note 8A: Employee provisions*</b>				
<b>Office Holders:</b>				
Annual leave	175,846	257,607	175,846	257,607
Long service leave	257,805	227,717	257,805	227,717
Separations and redundancies	-	-	-	-
Other	-	-	-	-
<b>Subtotal employee provisions—office holders</b>	<b>433,651</b>	<b>485,324</b>	<b>433,651</b>	<b>485,324</b>
<b>Employees other than office holders:</b>				
Annual leave	675,284	610,351	675,284	610,351
Long service leave	1,154,024	1,180,152	1,154,024	1,180,152
Separations and redundancies	-	-	-	-
Other	-	-	-	-
<b>Subtotal employee provisions—employees other than office holders</b>	<b>1,829,308</b>	<b>1,790,503</b>	<b>1,829,308</b>	<b>1,790,503</b>
<b>Total employee provisions</b>	<b>2,262,959</b>	<b>2,275,827</b>	<b>2,262,959</b>	<b>2,275,827</b>
Current	851,130	867,958	851,130	867,958
Non Current	1,411,829	1,407,869	1,411,829	1,407,869
<b>Total employee provisions</b>	<b>2,262,959</b>	<b>2,275,827</b>	<b>2,262,959</b>	<b>2,275,827</b>

**Note 9 Non-current liabilities**

**Note 9A: Other non-current liabilities**

Bank Mortgage Loan	17,802,208	17,902,593	17,802,208	17,902,593
<b>Total other non-current liabilities</b>	<b>17,802,208</b>	<b>17,902,593</b>	<b>17,802,208</b>	<b>17,902,593</b>

**Note 10 Equity**

**Note 10A: General funds**

<b>Retained earnings</b>				
<b>Balance as at start of year</b>	20,352,337	16,611,149	14,698,758	11,268,551
Transferred to reserve	3,066,990	3,741,188	1,735,841	3,430,207
Transferred out of reserve	-	-	-	-
<b>Balance as at end of year</b>	<b>23,419,327</b>	<b>20,352,337</b>	<b>16,434,599</b>	<b>14,698,758</b>
<i>[insert name of individual fund/reserve]</i>				
<b>Balance as at start of year</b>	-	-	-	-
Transferred to reserve	-	-	-	-
Transferred out of reserve	-	-	-	-
<b>Balance as at end of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Reserves</b>	<b>23,419,327</b>	<b>20,352,337</b>	<b>16,434,599</b>	<b>14,698,758</b>

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

Notes to the financial statements for the year ended 31 December 2014

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
<b>Note 11 Cash flow</b>				
<b>Note 11A: Cash flow reconciliation</b>				
<b>Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:</b>				
<b>Cash and cash equivalents as per:</b>				
Cash flow statement	11,000,899	8,911,476	10,984,290	8,690,171
Balance sheet	11,000,899	8,911,476	10,984,290	8,690,171
<b>Difference</b>	-	-	-	-

The difference is represented by... (to be included only where there is a difference).

**Reconciliation of profit/(deficit) to net cash from operating activities:**

Profit for the year	3,066,989	3,741,188	1,735,841	3,430,207
<b>Adjustments for non-cash items</b>				
Depreciation/amortisation	385,379	812,873	384,690	812,343
Net write-down of non-financial assets	-	-	-	-
Fair value movements in investment property	(1,465,405)	(34,595)	-	-
<b>Changes in assets/liabilities</b>				
(Increase)/decrease in net receivables	572,001	63,446	564,222	374,793
(Increase)/decrease in prepayments	(162,528)	10,772	(162,528)	10,772
Increase/(decrease) in supplier payables	6,434	(140,474)	7,720	42,763
Increase/(decrease) in other payables	(89,622)	16,654	(20,826)	(166,349)
Increase/(decrease) in employee provisions	(12,868)	121,403	(12,868)	121,403
Increase/(decrease) in other provisions	-	-	-	-
<b>Net cash from (used by) operating activities</b>	2,300,960	4,591,267	2,496,251	4,625,902

**Note 11B: Cash flow information\***

**Cash inflows**

<i>TFV Property Pty. Ltd.</i>	-	-	1,021,567	920,059
<b>Total cash inflows</b>	-	-	1,021,567	920,059

**Cash outflows**

<i>TFV Property Pty. Ltd.</i>	-	-	501,925	631,022
AEU Federal Branch	2,215,480	1,966,750	2,215,480	1,966,750
<b>Total cash outflows</b>	2,215,480	1,966,750	2,717,405	2,597,772



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Notes to the financial statements for the year ended 31 December 2014

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$

**Note 12 Contingent liabilities, assets and commitments**

**Note 12A: Commitments and contingencies**

**Operating lease commitments—as lessee**

4 year lease of photocopiers expiring 25/9/2018; vehicle leases

Future minimum rentals payable under non-cancellable operating leases as at are as follows:

Within one year	133,428	322,208	133,428	322,208
After one year but not more than five years	364,746	250,805	364,746	250,805
More than five years		-	-	-
	<u>498,174</u>	<u>573,013</u>	<u>498,174</u>	<u>573,013</u>

**Operating lease commitments—as lessor**

*[Details of the nature of the leases and average remaining terms, including any provisions for fixed increases in rent]*

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

Within one year	640,998	1,804,879	-	1,258,046
After one year but not more than five years	587,582	-	-	-
After five years	-	-	-	-
	<u>1,228,580</u>	<u>1,804,879</u>	<u>-</u>	<u>1,258,046</u>

**Capital commitments**

At 31 December 2014 the entity has commitments of \$NIL (2013:NIL).

**Finance lease commitments—as lessee**

Within one year	-	-	-	-
After one year but not more than five years	-	-	-	-
More than five years	-	-	-	-
<b>Total minimum lease payments</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Less amounts representing finance charges	-	-	-	-
<b>Present value of minimum lease payments</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Included in the financial statements as:

Current interest-bearing loans and borrowings	-	-	-	-
Non-current interest-bearing loans and borrowings	-	-	-	-
<b>Total included in interest-bearing loans and borrowings</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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Notes to the financial statements for the year ended 31 December 2014

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
<b>Note 12A: Commitments and contingencies (continued)</b>				
<b>Finance leases—lessor</b>				
Minimum lease payments	-	-	-	-
Unguaranteed residual value	-	-	-	-
Gross investment	-	-	-	-
Unearned finance income	-	-	-	-
<b>Net investment (present value of the minimum lease payments)</b>	-	-	-	-
<b>Gross amount of minimum lease payments:</b>				
Within one year	-	-	-	-
After one year but not more than five years	-	-	-	-
More than five years	-	-	-	-
<b>Total gross amount of minimum lease payments</b>	-	-	-	-
<b>Present value of minimum lease payments:</b>				
Within one year	-	-	-	-
After one year but not more than five years	-	-	-	-
More than five years	-	-	-	-
<b>Total present value of minimum lease payments</b>	-	-	-	-

**Other contingent assets or liabilities (i.e. legal claims)**

*None.]*

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Notes to the financial statements for the year ended 31 December 2014

Consolidated		Parent	
2014	2013	2014	2013
\$	\$	\$	\$

**Note 13 Related party disclosures**

**Note 13A: Related party transactions for the reporting period**

There are no related party transactions.

The subsidiary company, TFV Property Ltd, owns the property at 112 Trenerry Crescent, Abbotsford, where the parent company conducts its business. The subsidiary company has share capital comprising solely of ordinary shares which are held directly by the Group. The proportion of ownership is 100% held by the Group. The subsidiary company derives rental income from an external tenant.

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Notes to the financial statements for the year ended 31 December 2014

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
<b>Note 13B: Key management personnel remuneration for the reporting period</b>				
<b>Short-term employee benefits</b>				
Salary (including annual leave taken)	1,348,336	1,310,058	1,348,336	1,310,058
Annual leave accrued	180,985	175,847	180,985	175,847
Performance bonus	-	-	-	-
Govt. Paid Parental Leave	-	11,180	-	11,180
Other	156,117	203,982	156,117	203,982
<b>Total short-term employee benefits</b>	<b>1,732,738</b>	<b>1,701,067</b>	<b>1,732,738</b>	<b>1,701,067</b>
<b>Post-employment benefits:</b>				
Superannuation	257,709	249,187	257,709	249,187
<b>Total post-employment benefits</b>	<b>257,709</b>	<b>249,187</b>	<b>257,709</b>	<b>249,187</b>
<b>Other long-term benefits:</b>				
Long-service leave	39,213	38,100	39,213	38,100
<b>Total other long-term benefits</b>	<b>39,213</b>	<b>38,100</b>	<b>39,213</b>	<b>38,100</b>
<b>Termination benefits</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1,982,360</b>	<b>1,988,354</b>	<b>1,982,360</b>	<b>1,988,354</b>

**Note 13C: Transactions with key management personnel and their close family members**

**Loans to/from key management personnel**

- - - -

**Other transactions with key management personnel**

- - - -

**Note 14 Remuneration of auditors**

**Value of the services provided**

Financial statement audit services	51,270	40,110	47,000	35,850
Other services	-	-	-	-
<b>Total remuneration of auditors</b>	<b>51,270</b>	<b>40,110</b>	<b>47,000</b>	<b>35,850</b>

*[No other services were provided by the auditors of the financial statements.] or [Provide details of other services provided by the auditors of the financial statements.]*

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Notes to the financial statements for the year ended 31 December 2014

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
<b>Note 15 Financial instruments</b>				
<b>Note 15A: Categories of financial instruments</b>				
<b>Financial assets</b>				
Fair value through profit or loss:				
Cash and cash equivalents	11,000,899	8,911,476	10,984,290	8,690,171
Trade and other receivables	774,247	824,241	758,031	800,246
<b>Total</b>	<b>11,775,146</b>	<b>9,735,717</b>	<b>11,742,321</b>	<b>9,490,417</b>
Held-to-maturity investments:				
	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Available-for-sale assets:				
	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Loans and receivables:				
[	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Carrying amount of financial assets</b>	<b>11,775,146</b>	<b>9,735,717</b>	<b>11,742,321</b>	<b>9,490,417</b>
<b>Financial liabilities</b>				
Fair value through profit or loss:				
Trade and other payables	1,154,811	1,156,792	1,084,401	1,097,507
Borrowings	17,802,208	17,902,593	17,802,208	17,902,593
<b>Total</b>	<b>18,957,019</b>	<b>19,059,385</b>	<b>18,886,609</b>	<b>19,000,100</b>
Other financial liabilities:				
	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Carrying amount of financial liabilities</b>	<b>18,957,019</b>	<b>19,059,385</b>	<b>18,886,609</b>	<b>19,000,100</b>

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Notes to the financial statements for the year ended 31 December 2014

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
<b>Note 15B: Net income and expense from financial assets</b>				
<b>Held-to-maturity</b>				
Interest revenue	-	-	-	-
Exchange gains/(loss)	-	-	-	-
Impairment	-	-	-	-
Gain/loss on disposal	-	-	-	-
<b>Net gain/(loss) held-to-maturity</b>	-	-	-	-
<b>Loans and receivables</b>				
Interest revenue	-	-	-	-
Exchange gains/(loss)	-	-	-	-
Impairment	-	-	-	-
Gain/loss on disposal	-	-	-	-
<b>Net gain/(loss) from loans and receivables</b>	-	-	-	-
<b>Available for sale</b>				
Interest revenue	-	-	-	-
Dividend revenue	-	-	-	-
Exchange gains/(loss)	-	-	-	-
Gain/loss recognised in equity	-	-	-	-
Amounts reversed from equity:				
Impairment	-	-	-	-
Fair value changes reversed on disposal	-	-	-	-
Gain/loss on disposal	-	-	-	-
<b>Net gain/(loss) from available for sale</b>	-	-	-	-
<b>Fair value through profit and loss</b>				
<b>Held for trading:</b>				
Change in fair value	-	-	-	-
Interest revenue	-	-	-	-
Dividend revenue	-	-	-	-
Exchange gains/(loss)	-	-	-	-
<b>Total held for trading</b>	-	-	-	-
<b>Designated as fair value through profit and loss:</b>				
Change in fair value	-	-	-	-
Interest revenue	-	-	-	-
Dividend revenue	-	-	-	-
Exchange gains/(loss)	-	-	-	-
<b>Total designated as fair value through profit and loss</b>	-	-	-	-
<b>Net gain/(loss) at fair value through profit and loss</b>	-	-	-	-
<b>Net gain/(loss) from financial assets</b>	-	-	-	-

The net income/expense from financial assets not at fair value from profit and loss is \$0 (2013: \$0).

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

Notes to the financial statements for the year ended 31 December 2014

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
<b>Note 15C: Net income and expense from financial liabilities</b>				
<b>At amortised cost</b>				
Interest expense	-	-	-	-
Exchange gains/(loss)	-	-	-	-
Gain/loss on disposal	-	-	-	-
<b>Net gain/(loss) financial liabilities - at amortised cost</b>	-	-	-	-
<b>Fair value through profit and loss</b>				
<b>Held for trading:</b>				
Change in fair value	-	-	-	-
Interest expense	-	-	-	-
Exchange gains/(loss)	-	-	-	-
<b>Total held for trading</b>	-	-	-	-
<b>Designated as fair value through profit and loss:</b>				
Change in fair value	-	-	-	-
Interest expense	-	-	-	-
<b>Total designated as fair value through profit and loss</b>	-	-	-	-
<b>Net gain/(loss) at fair value through profit and loss</b>	-	-	-	-
<b>Net gain/(loss) from financial liabilities</b>	-	-	-	-

The net income/expense from financial liabilities not at fair value from profit and loss is \$0... (2013:\$0...).

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Notes to the financial statements for the year ended 31 December 2014

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
<b>Note 15D: Credit risk</b>				
<i>The Australian Education Union Victorian Branch]</i>				
The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.				
<b>Financial assets</b>				
Total	-	-	-	-
<b>Financial liabilities</b>				
Total	-	-	-	-

**Credit quality of financial instruments not past due or individually determined as impaired—Consolidated**

	Not past due nor impaired	Past due or impaired	Not past due nor impaired	Past due or impaired
	2014	2014	2013	2013
	\$	\$	\$	\$
Total	-	-	-	-

**Credit quality of financial instruments not past due or individually determined as impaired—Parent**

	Not past due nor impaired	Past due or impaired	Not past due nor impaired	Past due or impaired
	2014	2014	2013	2013
	\$	\$	\$	\$
Total	-	-	-	-

**Ageing of financial assets that were past due but not impaired for 2014—Consolidated**

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Total	-	-	-	-	-



AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

Notes to the financial statements for the year ended 31 December 2014

**Note 15D: Credit risk (continued)**

Ageing of financial assets that were past due but not impaired for 2013—Consolidated

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

The following list of assets have been individually assessed as impaired

Ageing of financial assets that were past due but not impaired for 2014—Parent

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

Ageing of financial assets that were past due but not impaired for 2013—Parent

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
<i>[List by class]</i>	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

The following list of assets have been individually assessed as impaired

[]

**Note 15E: Liquidity risk**

*[Discuss how the entity manages liquidity risk for non-derivative financial liabilities]*

Contractual maturities for financial liabilities 2014—Consolidated

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
	\$	\$	\$	\$	\$	\$
	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

Maturities for financial liabilities 2013—Consolidated

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
	\$	\$	\$	\$	\$	\$
	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

Notes to the financial statements for the year ended 31 December 2014

Note 15E: Liquidity risk (continued)

Contractual maturities for financial liabilities 2014—Parent

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Bank Mortgage Loan	-	-	-	17,802,208	-	17,802,208
Trade & Other Payables		1,084,401				1,084,401
<b>Total</b>	-	<b>1,084,401</b>	-	<b>17,802,208</b>	-	<b>18,886,609</b>

Maturities for financial liabilities 2013—Parent

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Bank Mortgage Loan	-	-	-	17,902,593	-	17,902,593
Trade & Other Payables		1,097,507				1,097,507
<b>Total</b>	-	<b>1,097,507</b>	-	<b>17,902,593</b>		<b>19,000,100</b>

Note 15F: 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 cashflows or the fair value of fixed rate financial instruments. The financial instruments that expose the Group to interest rate risk are limited to borrowings, cash and cash equivalents.

Sensitivity analysis of the risk that the entity is exposed to for 2014

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss \$	Equity \$
Interest rate risk		- +2	-183,261	-183,261
Interest rate risk		- -2	+183,261	+183,261

Sensitivity analysis of the risk that the entity is exposed to for 2013

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss \$	Equity \$
Interest rate risk		- +2	-81,181	-81,181
Interest rate risk		- -2	+81,181	+81,181

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Notes to the financial statements for the year ended 31 December 2014

**Note 15G: Asset pledged/or held as collateral**

**Assets pledged as collateral**

**Financial assets pledged as collateral:**

Freehold Land & Buildings	33,395,118	31,929,713	16,645,118	16,645,118
<b>Total assets pledged as collateral</b>	<b>33,395,118</b>	<b>31,929,713</b>	<b>16,645,118</b>	<b>16,645,118</b>

The bank debt is secured by a first registered mortgage over freehold properties owned by the controlled entity. Covenants imposed by the bank require that debt not to exceed 70% of the valuation of the properties.

## AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

Notes to the financial statements for the year ended 31 December 2014

### Note 16 Fair value measurement

#### Note 16A: Financial assets and liabilities

Management of the reporting unit assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value measurement of non-financial assets has been determined on the highest and best use of that asset. The management of the reporting unit have assessed that as the reporting unit currently uses the non-financial assets in their highest and best use, the fair value of those non-financial assets would approximate their carrying amounts.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 31 December 2014 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 December 2014 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The following table contains the carrying amounts and related fair values for the Branch financial assets and liabilities:

<b>Consolidated</b>	<b>Carrying amount 2014 \$</b>	<b>Fair value 2014 \$</b>	<b>Carrying amount 2013 \$</b>	<b>Fair value 2013 \$</b>
<b>Financial Assets</b>				
Cash & cash equivalents	11,000,899	11,000,899	8,911,746	8,911,746
Trade & other receivables	774,247	774,247	824,241	824,241
<b>Total</b>	<b>11,775,146</b>	<b>11,775,146</b>	<b>9,735,987</b>	<b>9,735,987</b>
<b>Non-Financial Assets</b>				
Land & Buildings	33,395,118	33,395,118	31,929,713	31,929,713
Plant & Equipment	259,158	259,118	533,945	533,945
Other Non-current assets	1,537	1,537	3,902	3,902
<b>Total</b>	<b>33,655,813</b>	<b>33,655,813</b>	<b>32,467,560</b>	<b>32,467,560</b>
<b>Financial Liabilities</b>				
Trade & other payables	1,154,811	1,154,811	1,156,792	1,156,792
Bank Mortgage Loan	17,802,208	17,802,208	17,902,593	17,902,593
<b>Total</b>	<b>18,957,019</b>	<b>18,957,019</b>	<b>19,059,385</b>	<b>19,059,385</b>

**AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH**

Notes to the financial statements for the year ended 31 December 2014

Parent	Carrying amount 2014 \$	Fair value 2014 \$	Carrying amount 2013 \$	Fair value 2013 \$
<b>Financial Assets</b>				
Cash & cash equivalents	10,984,290	10,984,290	8,690,171	8,690,171
Trade & other receivables	758,031	758,031	800,246	800,246
<b>Total</b>	<b>11,742,321</b>	<b>11,742,321</b>	<b>9,490,417</b>	<b>9,490,417</b>
<b>Non-Financial Assets</b>				
Land & Buildings	16,645,118	16,645,118	16,645,118	16,145,118
Plant & Equipment	240,570	240,570	523,513	523,513
Other Investments	8,000,000	8,000,000	8,000,000	8,000,000
Other Non-current assets	495,668	495,668	1,017,675	1,017,675
<b>Total</b>	<b>25,381,356</b>	<b>25,381,356</b>	<b>26,186,306</b>	<b>26,186,306</b>
<b>Financial Liabilities</b>				
Trade & other payables	1,084,401	1,084,401	1,097,507	1,097,507
Bank Mortgage Loan	17,802,208	17,802,208	17,902,593	17,902,593
<b>Total</b>	<b>18,886,609</b>	<b>18,886,609</b>	<b>19,000,100</b>	<b>19,000,100</b>

**Note 16B: Fair value hierarchy**

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

**Fair value hierarchy—Consolidated 31 December 2014**

	Level 1 \$	Level 2 \$	Level 3
<b>Assets measured at fair value</b>			
Cash & cash equivalents	11,000,899		
Trade & other receivables	774,247		
<b>Total</b>	<b>11,775,146</b>		
<b>Non-Financial Assets</b>			
Land & Buildings		33,395,118	
Plant & Equipment		259,158	
Other Non-current assets		1,537	
<b>Liabilities measured at fair value</b>			
Trade & other payables	1,154,811		
Bank Mortgage Loan	17,802,208		
<b>Total</b>	<b>18,957,019</b>		

**Fair value hierarchy—Consolidated 31 December 2013**

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

Notes to the financial statements for the year ended 31 December 2014

	Date of valuation	Level 1	Level 2	Level 3
<b>Assets measured at fair value</b>		\$	\$	\$
<i>Cash &amp; cash equivalents</i>		8,911,746		
<i>Trade &amp; other receivables</i>		824,241		
<b>Total</b>		9,735,987		
<b>Non-Financial Assets measured at fair value</b>				
Land & Buildings			31,929,713	
Plant & Equipment			533,945	
Other Non-current assets			3,902	
<b>Liabilities measured at fair value</b>				
Trade & other payables		1,156,792		
Bank Mortgage Loan		17,902,593		
<b>Total</b>		19,059,385		

Fair value hierarchy – Parent 31 December 2014

	Date of valuation	Level 1	Level 2	Level 3
<b>Assets measured at fair value</b>		\$	\$	\$
<i>Cash &amp; cash equivalents</i>		10,984,290		
<i>Trade &amp; other receivables</i>		788,031		
<b>Total</b>		11,742,321		
<b>Non-Financial Assets measured at fair value</b>				
Land & Buildings			16,645,118	
Plant & Equipment			240,570	
Other Investments			8,000,000	
Other non-current assets			495,668	
<b>Liabilities measured at fair value</b>				
Trade & other payables		1,084,401		
Bank Mortgage Loan		17,802,208		
<b>Total</b>		18,886,609		

Note 16B: Fair value hierarchy (continued)

Fair value hierarchy – Parent 31 December 2013

	Date of	Level 1	Level 2	Level 3
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AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

Notes to the financial statements for the year ended 31 December 2014

	valuation	\$	\$	\$
<b>Assets measured at fair value</b>				
<i>Cash &amp; cash equivalents</i>		8,690,171		
<i>Trade &amp; other receivables</i>		800,246		
<b>Total</b>		9,490,417		

**Non-current Assets measured at fair value**

Land & Buildings	16,645,118
Plant & Equipment	523,513
Other Investments	8,000,000
Other Non-current assets	1,017,675

**Liabilities measured at fair value**

Trade & other payables	1,097,507
Bank Mortgage Loan	17,902,593
<b>Total</b>	19,000,100

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**Note 17: Business combinations**

**Subsidiaries acquired**

Name of entity	Principal activity	Date of acquisition	Proportion of shares acquired %	Consideration transferred
<b>2014:</b>				
<i>[list]</i>	-	-	-	-
<b>2013:</b>				
<i>[list]</i>	-	-	-	-
<b>Consideration transferred</b>				
<b>2014:</b>			<u><b>[Entity]</b></u>	<u><b>[Entity]</b></u>
Cash			-	-
Transfer of land & buildings at fair value at date of acquisition			-	-
<b>Total</b>			<u><b>-</b></u>	<u><b>-</b></u>
<b>2013:</b>			<u><b>[Entity]</b></u>	<u><b>[Entity]</b></u>
Cash			-	-
Transfer of land & buildings at fair value at date of acquisition			-	-
<b>Total</b>			<u><b>-</b></u>	<u><b>-</b></u>

**AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH**

**Notes to the financial statements for the year ended 31 December 2014**



AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

Notes to the financial statements for the year ended 31 December 2014

Assets acquired and liabilities assumed at the date of acquisition

	<i>[Entity]</i>	<i>[Entity]</i>	Total
<b>2014:</b>			
<b>Current assets</b>			
Cash and cash equivalents	-	-	-
Trade and other receivables	-	-	-
Inventories	-	-	-
<b>Non-current assets</b>			
Plant and equipment	-	-	-
<b>Current liabilities</b>			
Trade and other payables	-	-	-
<b>Non-current liabilities</b>			
Deferred tax liabilities	-	-	-
Contingent liabilities	-	-	-
	-	-	-

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

Notes to the financial statements for the year ended 31 December 2014

**Note 18 Administration of financial affairs by a third party**

Name of entity providing service:

Terms and conditions:

Nature of expenses/consultancy service:

**Detailed breakdown of revenues collected and/or expenses incurred**

Revenue

Membership subscription	-	-	-	-
Capitation fees	-	-	-	-
Levies	-	-	-	-
Interest	-	-	-	-
Rental revenue	-	-	-	-
Other revenue	-	-	-	-
Grants and/or donations	-	-	-	-
<b>Total revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Expenses

Employee expense	-	-	-	-
Capitation fees	-	-	-	-
Affiliation fees	-	-	-	-
Consideration to employers for payroll deductions	-	-	-	-
Compulsory levies	-	-	-	-
Fees/allowances - meeting and conferences	-	-	-	-
Conference and meeting expenses	-	-	-	-
Administration expenses	-	-	-	-
Grants or donations	-	-	-	-
Finance costs	-	-	-	-
Legal costs	-	-	-	-
Audit fees	-	-	-	-
Penalties - via RO Act or RO Regulations	-	-	-	-
Other expenses	-	-	-	-
<b>Total expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note 19 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 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).

Note: This subsection is a civil penalty provision (see section 305)

Fair Work (Registered Organisations) Act 2009