



29 May 2020

Glenn Fowler
Branch Secretary
Australian Education Union ACT Branch
Sent via email: glenn.fowler@aeuact.org.au
Cc: PMiller@vincents.com.au

Dear Glenn Fowler,

**Australian Education Union ACT Branch
Financial Report for the year ended 31 December 2019 – (FR2019/350)**

I acknowledge receipt of the financial report for the year ended 31 December 2019 for the Australian Education Union ACT Branch (**the reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 13 May 2020. I also acknowledge the receipts of the committee of management statement and amended loans, grants and donations for the financial year ended 31 December 2019 which were lodged with the ROC on 26 May 2020 and 27 May 2020 respectively.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009 (RO Act)* have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines (**RGs**) have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 31 December 2020 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these concerns have been addressed prior to filing next year's report.

General purpose financial report (GPFR)

Committee of management statement must be audited and provided to members of the reporting unit

Section 257(1) of the RO Act requires the full report, which includes the committee of management statement, to be audited. The reporting unit is required to ensure that the committee of management meets and passes a resolution that contains certain declarations as specified in RG 26 prior to the audit of the GPFR.

The financial report lodged with the ROC on 13 May 2020 did not include the committee of management statement. A copy of the committee of management statement dated 17 April 2020 was subsequently lodged on 26 May 2020. The reporting unit indicated in the correspondence to

the ROC on 26 May 2020 that the full report including the committee of management statement would be provided to members of the reporting unit by day's end. It would therefore appear that the full report was not provided to members on 13 May 2020 as declared in the designated officer's certificate. It would also appear that the committee of management statement was prepared after the audit process and therefore, not audited.

Please ensure in future years that the committee of management statement is audited and provided to members of the reporting unit as part of the full report.

Nil activities disclosure

Item 21 of the RGs states that if any of the activities identified within items 10-20 of the RGs have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. I note that the officer's declaration statement includes the following nil activity disclosures for which there was already an equivalent form of disclosure in the financial statements and/or body of the notes:

- agree to receive financial support from another reporting unit to continue as a going concern (Note 1.23);
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission (Note 1.5);
- receive capitation fees from another reporting unit (statement of comprehensive income and Note 3A);
- receive any other revenue from another reporting unit (statement of comprehensive income and Note 3A);
- receive revenue via compulsory levies (statement of comprehensive income and Note 3B);
- receive donations or grants (statement of comprehensive income and Note 3E);
- receive revenue from undertaking recovery of wages activity (statement of comprehensive income and Note 3G);
- incur fees as consideration for employers making payroll deductions of membership subscriptions (Note 4D);
- pay a grant that was \$1,000 or less (Note 4E);
- pay a grant that exceeded \$1,000 (Note 4E);
- pay a penalty imposed under the RO Act or the Fair Work Act 2009 (Note 4I);
- have a payable in respect of legal costs relating in litigation (Note 7B);
- have a payable in respect of legal costs relating to other legal matters (Note 7B);
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisations or branch (Note 9B);
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity (Note 9B); and
- receive cash flows from another reporting units and/or controlled entity (Note 10B).

Please note that nil activities only need to be disclosed once.

I also note that the notes and the officer's declaration statement contained nil activity information for all prescribed RG categories except the following:

- have another entity administer the financial affairs of the reporting unit (RG 19).

Please ensure in future years that the above mentioned items are disclosed in either the financial statements, the notes or in the officer's declaration statement as per the RGs.

Inconsistency in disclosure of financial information

The statement of changes in equity and Note 9A *General funds* disclose a balance of retained earnings of \$1,809,479 for the 2019 financial year (2018: \$1,637,164). The officer's declaration statement includes a nil disclosure in relation to a balance in the general fund. It would appear that retained earnings is the reporting unit's general fund.

Note 10B *Cash flow information* discloses cash outflows to the Australian Education Union Federal Office of \$185,048 for the 2019 financial year (2018: \$186,330). The officer's declaration statement, however includes a nil disclosure in relation to providing cash flows to another reporting unit and/or controlled entity.

In future years, please ensure that items within the financial report are disclosed consistently.

Operating report

Prescribed information in Operating report

Regulation 159(c) requires an operating report to contain the name of each person who has been a member of the committee of management of the reporting unit at any time during the reporting period, and the period for which he or she held such a position. The ROC takes the words "at any time" to mean that all persons, whether they held their position for the full year or for part of the year, must be included.

I note that the name of Benjamin Zywczyk appeared in the previous year's operating report but did not appear in this year's operating report. There was no indication that Benjamin Zywczyk had resigned during, or at the end of, the previous year, and without any such indication the question arises whether his name has been inadvertently omitted.

In future years, please ensure that all persons are included and the periods for which they held their position are clearly indicated.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 RGs and a model set of financial statements.

The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 RGs and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0764 or via email at kylie.ngo@roc.gov.au.

Yours sincerely,



Kylie Ngo
Registered Organisations Commission

Australian Education Union ACT Branch


Committee of Management Statement 31 December 2019

On 17 / 04 / 2020 the Australian Education ACT Branch passed the following resolution in relation to the general purpose financial report (**GPFR**) for the year ended 31 Dec 2019:

The Australian Education Union ACT Branch 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 any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the **RO Act**);
- 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 the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; 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.

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

Signature of designated officer: 

Name and title of designated officer: Glenn Fowler Branch Secretary

Dated: 17 April 2020

Australian Education Union ACT Branch

ABN 98 106 001 142

Financial Statements

For the Year Ended 31 December 2019

Australian Education Union ACT Branch

For the Year Ended 31 December 2019

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Australian Education Union ACT Branch


s.268 Fair Work (Registered Organisations) Act 2009

Certificate by prescribed designated officer

Certificate for the year ended 31 December 2019

I GLENN FOWLER, being the SECRETARY of the Australian Education Union ACT Branch certify:

- that the documents lodged herewith are copies of the full report for the Australian Education Union – ACT Branch for the period ended referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members of the reporting unit on 13-5-2020 and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 6-05-2020 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer: 

Name of prescribed designated officer: GLENN FOWLER

Title of prescribed designated officer: BRANCH SECRETARY

Dated: 13-05-2020

Independent Audit Report to the Members of Australian Education Union ACT Branch

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Australian Education Union ACT Branch (the Registration Organisation), which comprises the statement of financial position as at 31 December 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2019, notes to the financial statements, including a summary of significant accounting policies, the committee of management statement, the subsection 255(2A) report and the officer declaration statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Australian Education Union ACT Branch as at 31 December 2019, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the reporting guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act).

I declare that management's use of the going concern basis in the preparation of the financial statements of the reporting unit is appropriate.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the reporting unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The committee of management is responsible for the other information. The other information obtained at the date of this auditor's report is in the operating report accompanying the financial report.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

The committee of management of the reporting unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the committee of management determine is necessary to enable the preparation of the financial report

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Level 2, 14 Moore Street, Canberra ACT 2601 t 61.2 6274 3400 f 61.2 6274 3499

GPO Box 680, Canberra ACT 2601 w www.vincents.com.au

that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee of management is responsible for assessing the reporting unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee of management either intend to liquidate the reporting unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 reporting unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee of management.
- Conclude on the appropriateness of the committee of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the reporting unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the reporting unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the reporting unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the reporting unit audit. I remain solely responsible for my audit opinion.

I communicate with the committee of management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I declare that I am an auditor registered under the RO Act.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of the RO Act, I am required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act. I did not locate any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act. Therefore my opinion on the financial report is not modified.

Vincents Audit Pty Ltd



**Phillip W Miller CA
Director**

Canberra

Dated this 17 April 2020

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/24


Australian Education Union Branch ACT

Report required under subsection 255(2A)

for the year ended 31 December 2019

The committee of management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 31 December 2019.

Categories of expenditures	2019 (\$)	2018 (\$)
Remuneration and other employment-related costs and expenses – employees	1,785,952	1,717,343
Advertising	NIL	NIL
Operating costs	792,876	719,882
Donations to political parties	NIL	NIL
Legal costs	13,429	2,303

Signature of designated officer: 

Name and title of designated officer: BRANCH SECRETARY, ACT BRANCH.

Dated: 8-APRIL-2020

OPERATING REPORT

For the period ended 31 December 2019

The committee presents its report on the reporting unit for the financial year ended 31 December 2019

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

Principal Activities

During the year, the principal continuing activities of the union was to obtain and secure for its members the best possible conditions and proper and sufficient remuneration and to guard them against hardship, oppression or injustice in connection with their employment. And to foster, protect and promote the interests of government and public education, including kindergarten and preschool education, infants and primary education, secondary education, and technical and further education.

Results of the Principal Activities

The Australian Education Union – ACT Branch (AEU-ACT) is a federally registered Union and provides a wide range of industrial relations services to assist members to comply with employment issues, regulatory and legislative matters.

Secondly, the AEU-ACT's services as a lobby group on behalf of the industry and provides a voice for the collective interests of teachers in the education industry.

Thirdly, the AEU-ACT has developed strong relationships with key local and federal parliamentary figures, and with senior public servants in relevant government departments and agencies.

Significant changes in the nature of the principal activities

In the opinion of the committee members there were no significant changes in the nature of these principal activities that occurred during the financial year under review.

Financial Operating Result

The operating surplus of the union amounted to \$172,314. The figure represents a true and fair view of the results achieved during the reporting period.

Non-Financial Operating Result

1. In 2019 we bargained with the ACT Government on the enterprise agreement for teaching staff, achieving a number of notable outcomes, including salary increases to make ACT teachers the highest-paid in the country and the introduction of Enterprise Agreement Implementation Plans to be agreed between sub-branch presidents and school principals each year.

OPERATING REPORT

2. On the national stage, the ACT Branch participated actively in national campaigns regarding federal government policy, notably preschool and TAFE funding campaigns, the Fair Funding Now campaign in the leadup to the federal election, and the Canberra School Strike 4 Climate.
3. The Branch worked with the Minister and Directorate to achieve a number of positive outcomes related to teacher professionalism.
4. Representatives of the Branch sat on a number of consultative committees with employers and government in 2019.
5. The 2019 Public Education Celebratory Dinner was held at the National Gallery of Australia in late May. It was our largest dinner to date and was again a sell-out, attracting member support and public interest.
6. Members were supported at their worksites throughout the year regarding individual and collective issues.
7. In terms of office structure, the leadership team consists of a Lead Organiser, Senior Industrial Officer and Business Manager. Our structure continues to serve us very well.
8. In 2019, the Branch maintained a strong presence on Facebook, growing our follower base, using it to share news and opinions, promote events, support petitions, celebrate achievements and successes and build a community of share commitment to public education.
9. In 2019, elections took place for Branch Executive members. This election was conducted mid-year for a start date of 1 July 2019.
10. All Branch Executive members including Senior Officers and AEU staff with financial duties have received or are receiving approved financial/governance training.
11. Our New Educator Conference was held in Canberra on 28 February & 1 March and the Fitzroy Falls Industrial Retreat was held on 4 and 5 April 2019.
12. Training was delivered in November and December to sub-branch leaders and school leaders to prepare them for negotiating their Enterprise Agreement Implementation Plans in term 1 of 2020. The first session for sub-branch leaders was our most highly-attended training session to date.
13. During 2019 five loans were approved from the Member Welfare Fund for members in need, to a total of \$20,500

OPERATING REPORT

14. In 2019, former ACT Branch Secretary Clive Haggard commenced working on a history of our branch in the leadup to its 50th anniversary.

Significant changes in financial affairs

In the opinion of the committee members there were only minor changes in the financial affairs that occurred during the 2019 financial year under review, providing a balance between long-term deposits and investment portfolio management at a moderate risk level.

Right of members to resign

All members of the Union have the right to resign from the Union in accordance with Rule 34(c) of the Union Rules, (and section 174 of the Fair Work (Registered Organisations) Act 2009); namely, by providing written notice of changes to their membership within 28 days of the change occurring.

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

No members were involved in trusteeships or directorships on behalf of the Association as directors of any superannuation fund where the criterion for the officer or member to be the trustee is that the person is an officer or member of a registered organisation.

No members were a director of a company or a member of a board on behalf of the Association.

Number of members

The number of persons that were at the end of the financial year recorded in the register of members for sec. 230 of the Fair Work (Registered Organisations) Act 2009 and who are taken to be members of the Branch under sec. 244 of the Fair Work (Registered Organisations) Act 2009 was 3805.

Number of employees

13.8 full-time equivalent employees were employed by the ACT Branch during the 2019 financial reporting period.

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

Glenn Fowler
Branch Secretary
From 1 January 2019 to 31 December 2019
Occupation: Branch Secretary

Angela Burroughs
Branch President
From 1 January 2019 to 31 December 2019
Occupation: Teacher

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OPERATING REPORT

Roger Amey
Branch Vice President
From 1 January 2019 – 31 December 2019
Occupation: Teacher

Sarah Warren
Branch Vice President
1 January 2019 – 31 December 2019
Occupation: Teacher

Karen Noble
TAFE Vice President
From 1 January 2019 – 31 December 2019
Occupation: Teacher

Peter Curtis
General Membership Representative
From 1 January 2019 – 31 December 2019
Occupation: Teacher

Shane Gorman
General Membership Representative
From 1 January 2019 – 30 June 2019
Occupation: Principal

Benjamin Godwin
General Membership Representative
From 1 January 2019 – 31 December 2019
Occupation: Teacher

Cherie Connors
General Membership Representative
From 1 January 2019 – 30 June 2019
Occupation: Teacher

Katie Slater
General Membership Representative
From 1 January 2019 – 31 December 2019
Occupation: Teacher

**Australian Education Union – ACT Branch
ABN: 98106001142**

OPERATING REPORT

Holly Godfree
General Membership Representative
From 1 January 2019 – 31 December 2019
Occupation: Teacher

Tania Blak
General Membership Representative
From 1 January 2019 – 30 June 2019
Occupation: Teacher

Karl-Erik Paasonen
General Membership Representative
From 1 January 2019 – 31 December 2019
Occupation: Teacher

Anne Brown
TAFE Representative
From 1 January 2019 – 8 May 2019
Occupation: Teacher

Ninetta McCauley
School Assistant Alternate
From 1 January 2019 – 30 June 2019
Occupation: School Assistant

Trina Cleary
General Membership Representative
From 1 July 2019 – 31 December 2019
Occupation: Teacher

Tahlia Bruce
General Membership Representative
From 1 July 2019 – 31 December 2019
Occupation: Teacher

Murray Chisholm
General Membership Representative
From 1 July 2019 – 31 December 2019
Occupation: Teacher

Australian Education Union – ACT Branch
ABN: 98106001142

OPERATING REPORT

Corina Murphy
TAFE Alternate Representative
From 1 July 2019 – 31 December 2019
Occupation: Teacher

The address for all persons is 40 Brisbane Avenue BARTON ACT 2600.

There were no new branches or divisions established and no branches or divisions ceased to operate in 2019.

Signature of designated officer:

A handwritten signature in black ink, appearing to read 'Glenn Fowler', written in a cursive style.

Name and title of designated officer: Glenn Fowler (Branch Secretary)

Dated: 25 March 2020.

Australian Education Union ACT Branch

Statement of comprehensive income for the year ended 31 December 2019

	Notes	2019 \$	2018 \$
Revenue			
Membership subscription*		2,662,273	2,389,498
Capitation fees and other revenue from another reporting unit*	3A	-	-
Levies	3B	-	-
Investment income	3C	16,499	17,195
Rental revenue	3D	44,576	43,745
Other revenue	3F	87,405	49,679
Total revenue		2,810,753	2,500,117
Other Income			
Grants and/or donations*	3E	-	-
Revenue from recovery of wages activity*	3G	-	-
Total other income		-	-
Total income		2,810,753	2,500,117
Expenses			
Employee expenses	4A	(1,785,952)	(1,717,343)
Capitation fees and other expense to another reporting unit*	4B	(114,714)	(106,971)
Affiliation fees	4C	(46,549)	(43,962)
Administration expenses	4D	(492,641)	(424,148)
Grants or donations	4E	(1,500)	(8,900)
Depreciation and amortisation	4F	(46,181)	(52,976)
Finance costs	4G	(5,228)	(7,081)
Legal costs	4H	(13,429)	(2,303)
Audit fees	14	(15,420)	(15,500)
Bad debts		-	(3,071)
Other expenses	4I	(116,824)	(110,246)
Total expenses		(2,638,438)	(2,492,503)
Surplus (deficit) for the year		172,315	7,614
Other comprehensive income			
Items that will be subsequently reclassified to profit or loss		-	-
Gain/(loss) on available for sale investments		-	-
Gain/(loss) on debt instruments at fair value through other comprehensive income (FVTOCI)		-	-
Items that will not be subsequently reclassified to profit or loss		-	-
Gain/(loss) on revaluation of land & buildings		-	-
Gain/(loss) on equity instruments designated at FVTOCI		-	-
Total comprehensive income for the year		172,315	7,614

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

*As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

Australian Education Union ACT Branch

Statement of financial position

as at 31 December 2019

	Notes	2019 \$	2018 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	662,185	477,123
Trade and other receivables*	5B	28,773	41,148
Other current assets	5C	106,896	63,937
Total current assets		797,854	582,208
Non-current Assets			
Land and buildings	6A	1,373,682	1,394,341
Plant and equipment	6B	23,408	38,608
Other non-current assets	6C	437,101	389,635
Total non-current assets		1,834,191	1,822,584
Total assets		2,632,045	2,404,792
LIABILITIES			
Current Liabilities			
Trade payables*	7A	10,229	33,786
Other payables*	7B	142,934	168,608
Employee provisions	8A	214,930	147,650
Total current liabilities		368,093	350,044
Non-current Liabilities			
Employee provisions	8A	50,386	46,272
Total non-current liabilities		50,386	46,272
Total liabilities		418,479	396,316
Net assets		2,213,566	2,008,476
EQUITY			
General funds	9A	404,087	371,312
Retained earnings (accumulated deficit)		1,809,479	1,637,164
Total equity		2,213,566	2,008,476

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

*As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

Australian Education Union ACT Branch

Statement of changes in equity

for the year ended 31 December 2019

	Notes	General funds /reserves \$	Retained earnings \$	Total equity \$
Balance as at 1 January 2018		390,506	1,629,550	2,020,056
Surplus / (deficit)		-	7,614	7,614
Transfer to/from revaluation reserve	9A	(19,194)	-	(19,194)
Closing balance as at 31 December 2018		371,312	1,637,164	2,008,476
Surplus / (deficit)		-	172,315	172,315
Other comprehensive income		-	-	-
Transfer to/from revaluation reserve	9A	32,775	-	32,775
Transfer from retained earnings		-	-	-
Closing balance as at 31 December 2019		404,087	1,809,479	2,213,566

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

Australian Education Union ACT Branch

Statement of cash flows

for the year ended 31 December 2019

		2019	2018
		\$	\$
	Notes		
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units/controlled entity(s)	10B	3,038,841	2,772,478
Interest		-	16
Other		-	-
Cash used			
Employees		(1,785,952)	(1,633,206)
Suppliers		(942,792)	(743,586)
Payment to other reporting units/controlled entity(s)	10B	(114,713)	(186,330)
Net cash from (used by) operating activities	10A	<u>195,385</u>	<u>209,372</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		-	-
Proceeds from sale of land and buildings		-	-
Other		-	-
Cash used			
Purchase of plant and equipment		(10,322)	(30,815)
Purchase of land and buildings		-	-
Other		-	91,731
Net cash from (used by) investing activities		<u>(10,322)</u>	<u>60,916</u>
FINANCING ACTIVITIES			
Cash received			
Contributed equity		-	-
Other		-	-
Cash used			
Repayment of borrowings		-	-
Other		-	-
Net cash from (used by) financing activities		<u>-</u>	<u>-</u>
Net increase (decrease) in cash held		<u>185,063</u>	<u>270,288</u>
Cash & cash equivalents at the beginning of the reporting period		<u>477,123</u>	<u>206,835</u>
Cash & cash equivalents at the end of the reporting period	5A	<u>662,186</u>	<u>477,123</u>

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

Index to the notes of the financial statements

Note 1	Summary of significant accounting policies
Note 2	Events after the reporting period
Note 3	Income
Note 4	Expenses
Note 5	Current assets
Note 6	Non-current assets
Note 7	Current liabilities
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Note 9	Non-current liabilities
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Note 12	Contingent liabilities, assets and commitments
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Note 17	Administration of financial affairs by a third party
Note 18	Section 272 <i>Fair Work (Registered Organisations) Act 2009</i>

Notes to the Financial Statements
For the year ended 31 December 2019

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 ACT 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.

1.3 Significant accounting judgements and estimates

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Accounting estimates – Impairment of Assets

The Registered Organisation assesses impairment at the end of each reporting period by evaluating conditions specific to the Registered Organisation that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Accounting estimates – Provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Notes to the Financial Statements
For the year ended 31 December 2019

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 except for the following standards and amendments, which have been adopted for the first time this financial year:

AASB 15 Revenue from Contracts with Customers

The Registered Organisation has adopted AASB 15 from 1 January 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

AASB 16 Leases

The Registered Organisation has adopted AASB 16 from 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Notes to the Financial Statements
For the year ended 31 December 2019

AASB 15 and AASB 16 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained profits as at 1 January 2019. There was no impact on the financial performance and position of the Registered Organisation from adoption of this Accounting Standard.

AASB 1058 Income of Not-for-Profit Entities

The Registered Organisation has adopted AASB 1058 from 1 January 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately.

Impact on adoption

AASB 15, AASB 16 and AASB 1058 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained profits as at 1 January 2019 and no impact on the current reporting period.

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

Australian Education Union ACT Branch did not acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of the organisation, a determination or revocation by the General Manager of the Fair Work Commission under subsections 245(1) or 249(1) of the RO Act¹.

¹ Note: if the fact that the reporting unit did not acquire any such assets or liabilities in the above circumstances is disclosed in the officer declaration statement, it is not necessary to make such disclosure here.

Notes to the Financial Statements
For the year ended 31 December 2019

1.6 Revenue

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Donations

Donation income is recognised when it is received.

Interest

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

Rental income

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

1.7 Government grants

Government grants are not recognised until there is reasonable assurance that the Australian Education Union ACT Branch will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss when the Australian Education Union ACT Branch satisfies the performance obligations stated within the funding agreements. If conditions are attached to the grant which must be satisfied before the company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Notes to the Financial Statements
For the year ended 31 December 2019

1.8 Gains
Sale of assets

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

1.9 Capitation fees and levies

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

1.10 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. The Australian Education Union ACT Branch 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.

1.11 Leases

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.

Notes to the Financial Statements
For the year ended 31 December 2019

1.12 Cash

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

1.13 Financial instruments

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

1.14 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (**OCI**), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Australian Education Union ACT Branch's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Australian Education Union ACT Branch initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

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

The Australian Education Union ACT Branch's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

Notes to the Financial Statements
For the year ended 31 December 2019

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified the following categories:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss

Financial assets at amortised cost

The Australian Education Union ACT Branch measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Australian Education Union ACT Branch's financial assets at amortised cost includes trade receivables and loans to related parties.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Notes to the Financial Statements
For the year ended 31 December 2019

Derecognition

A financial asset is derecognised when:

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

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

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Australian Education Union ACT Branch continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

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

Impairment

(i) Trade receivables

For trade receivables that do not have a significant financing component, the Australian Education Union ACT Branch applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the Australian Education Union ACT Branch does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Australian Education Union ACT Branch has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Notes to the Financial Statements
For the year ended 31 December 2019

(ii) Debt instruments other than trade receivables

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

ECLs are recognised in two stages:

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

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

1.17 Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Australian Education Union ACT Branch's financial liabilities include trade and other payables.

Subsequent measurement

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Notes to the Financial Statements
For the year ended 31 December 2019

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied.

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

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

1.18 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.

1.19 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.

**Notes to the Financial Statements
For the year ended 31 December 2019**

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 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.

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:

	2019	2018
Buildings	40 years	40 years
Plant and equipment	5 years	5 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.

1.20 Impairment of 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.

Notes to the Financial Statements
For the year ended 31 December 2019

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 ACT Branch were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.21 Taxation

The Australian Education Union ACT 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).

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 statement of cash flows 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.

1.22 Fair value measurement

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

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

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

Notes to the Financial Statements
For the year ended 31 December 2019

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

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

The Australian Education Union ACT Branch uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Australian Education Union ACT 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 ACT 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.

1.23 Going concern

Australian Education Union ACT Branch is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

Notes to the Financial Statements
For the year ended 31 December 2019

Note 2 Events after the reporting period

There were no events that occurred after 31 December 2019, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of Australian Education Union ACT Branch.

Note 3 Income

	2019	2018
	\$	\$
Note 3A: Capitation fees and other revenue from another reporting unit*		
Capitation fees:		
AEU - Federal Office	-	-
Other revenue from another reporting unit:	-	-
Total capitation fees and another revenue from other reporting unit	<u>-</u>	<u>-</u>

Note 3B: Levies*

Levies	-	-
Total levies	<u>-</u>	<u>-</u>

Note 3C: Investment income

Interest	31	2,670
Deposits	-	-
Loans	-	-
Debt instruments at fair value through OCI	-	-
Dividends	16,468	14,525
Total investment income	<u>16,499</u>	<u>17,195</u>

Note 3D: Rental revenue

Properties	44,576	43,745
Other	-	-
Total rental revenue	<u>44,576</u>	<u>43,745</u>

Note 3E: Grants or donations*

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

Notes to the Financial Statements
For the year ended 31 December 2019

	2,019	2,018
	\$	\$
Note 3F: Other Revenue		
Advertising Revenue	8,039	12,753
Public Education Week Event	22,700	24,255
Other Revenue	56,666	-
Paid Parental Leave	-	12,671
Total Other Revenue	<u>87,405</u>	<u>49,678</u>

Note 3G: Revenue from recovery of wages activity

Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
Total revenue from recovery of wages activity	<u>-</u>	<u>-</u>

Note 4A: Employee expenses*

<p>Holdings of office:</p> <p>Wages and salaries</p> <p>Superannuation</p> <p>Leave and other entitlements</p> <p>Separation and redundancies</p> <p>Other employee expenses</p> <p>Subtotal employee expenses holders of office</p>	<p>135,010</p> <p>39,718</p> <p>46,518</p> <p>-</p> <p>7,014</p> <p><u>228,260</u></p>	<p>120,888</p> <p>35,683</p> <p>43,929</p> <p>-</p> <p>9,020</p> <p><u>209,520</u></p>
<p>Employees other than office holders:</p> <p>Wages and salaries</p> <p>Superannuation</p> <p>Leave and other entitlements</p> <p>Separation and redundancies</p> <p>Other employee expenses</p> <p>Subtotal employee expenses employees other than office holders</p> <p>Total employee expenses</p>	<p>1,323,012</p> <p>208,068</p> <p>8,003</p> <p>-</p> <p>1,736</p> <p><u>1,540,819</u></p> <p><u>1,769,079</u></p>	<p>1,066,462</p> <p>207,323</p> <p>206,642</p> <p>-</p> <p>27,396</p> <p><u>1,507,823</u></p> <p><u>1,717,343</u></p>

Notes to the Financial Statements
For the year ended 31 December 2019

Note 4B: Capitation fees and other expense to another reporting unit*

Capitation fees	114,714	106,971
Subtotal capitation fees	<u>114,714</u>	<u>106,971</u>
Other expense to another reporting unit	-	-
Total capitation fees and other expense to another reporting unit	<u>114,714</u>	<u>106,971</u>

Capitation fees comprises of fees and levies paid to Australian Education Union - Federal Office

2019	2018
\$	\$

Note 4B: Capitation fees and other expense to another reporting unit*

Capitation fees	114,714	106,971
Subtotal capitation fees	<u>114,714</u>	<u>106,971</u>
Other expense to another reporting unit	-	-

2019	2018
\$	\$

Note 4C: Affiliation fees*

Australian Education Union - Federal Office	17,566	15,829
Trades and Labour Council ACT	28,983	28,133
Total affiliation fees/subscriptions	<u>46,549</u>	<u>43,962</u>

Notes to the Financial Statements
For the year ended 31 December 2019

	2019	2018
	\$	\$
Note 4D: Administration expenses		
Total paid to employers for payroll deductions of membership subscriptions*		
Compulsory levies*	-	-
Publication levy - Australian educator	12,221	11,606
Publication levy - TAFE teacher	666	621
ACTU campaign levy	21,725	20,606
Education international	11,211	8,379
Public education	14,084	13,624
Fees/allowances - meeting and conferences*	32,824	27,609
Conference and meeting expenses*	52,463	53,544
Property expenses	71,255	71,994
Subscriptions	5,812	2,454
Office expenses	21,582	36,423
Payroll and FBT expenses	2,436	(14,205)
Recruitment	9,650	845
Information communications technology	55,469	57,284
Insurances	42,905	33,184
Special Interest and Event	74,261	51,100
Marketing and promotions	59,090	44,928
Other	4,987	4152
Total administration expenses	492,641	424,148

Note 4E: Grants or donations*

Grants:

Total expensed that were \$1,000 or less

Total expensed that exceeded \$1,000

Donations:

Total expensed that were \$1,000 or less

Total expensed that exceeded \$1,000

Total grants or donations

-	-
-	-
1,500	800
-	8,100
1,500	8,900

Note 4F: Depreciation and amortisation

Depreciation

Land & buildings

Property, plant and equipment

Total depreciation

20,659	20,659
25,522	32,316
46,181	52,975

Notes to the Financial Statements
For the year ended 31 December 2019

	2019	2018
	\$	\$
Note 4G: Finance costs		
Finance leases	-	-
Bank	5,228	7,081
Overdrafts/loans	-	-
Unwinding of discount	-	-
Total finance costs	<u>5,228</u>	<u>7,081</u>

Note 4H: Legal costs*

Litigation	-	-
Other legal costs	13,429	2,303
Total legal costs	<u>13,429</u>	<u>2,303</u>

Note 4I: Other expenses

Penalties - via RO Act or the Fair Work Act 2009*	-	-
Accounting fees	20,469	32,119
Campaigns	29,415	23,743
Members and professional development course	53,440	54,384
Total other expenses	<u>103,324</u>	<u>110,246</u>

Note 5A: Cash and cash equivalents

Cash at bank	661,932	476,813
Cash on hand	253	310
Short term deposits	-	-
Other	-	-
Total cash and cash equivalents	<u>662,185</u>	<u>477,123</u>

Notes to the Financial Statements
For the year ended 31 December 2019

	2019	2018
	\$	\$
Note 5B: Trade and other receivables		
Receivables from other reporting unit*	-	-
Australian Education Union - Federal Office	-	-
Total receivables from other reporting unit	<u>-</u>	<u>-</u>
Less allowance for expected credit losses*	-	-
Other receivables:		
Trade receivables	-	14,772
Investment income receivables	929	1,853
Members welfare loan	27,844	24,523
GST receivable	-	-
Other	-	-
Total other receivables	<u>28,773</u>	<u>41,148</u>
Total trade and other receivables (net)	<u>28,773</u>	<u>41,148</u>

The movement in the allowance for expected credit losses of trade and other receivables is as follows:

At 1 July	-	-
Provision for expected credit losses	-	-
Write-off	-	-
At 30 June	-	-

Note 5C: Other current assets

Prepayments	104,169	61,210
Other receivables	<u>2,727</u>	<u>2,727</u>
Total other current assets	<u>106,896</u>	<u>63,937</u>

* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

Notes to the Financial Statements
For the year ended 31 December 2019

	2019	2018
	\$	\$
Note 6A: Land and buildings		
Land and buildings:		
fair value	1,415,000	1,415,000
accumulated depreciation	(41,318)	(20,659)
Total land and buildings	<u>1,373,682</u>	<u>1,394,341</u>
Reconciliation of opening and closing balances of land and buildings		
As at 1 January		
Gross book value	1,415,000	1,415,000
Accumulated depreciation and impairment	(20,659)	-
Net book value 1 January	<u>1,394,341</u>	<u>1,415,000</u>
Depreciation expense	(20,659)	(20,659)
Net book value 31 December	<u>1,373,682</u>	<u>1,394,341</u>
Net book value as of 31 December represented by:		
Gross book value	1,415,000	1,415,000
Accumulated depreciation and impairment	(41,318)	(20,659)
Net book value 31 December	<u>1,373,682</u>	<u>1,394,341</u>

Title for the property is held under the Australian Education Union – Federal office. 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 the difference in the nature, location or condition of the specific property. As at the date of revaluation (1st July 2017), the properties' fair values are based on valuations performed by MMJ Valuation and property consultants, an accredited independent valuer.

Significant unobservable valuation input	Amount
Price per square metre	[\$4,367]

A significant increase (decrease) in estimated price per square metre in isolation would result in a significantly higher (lower) fair value.

Notes to the Financial Statements
For the year ended 31 December 2019

	2019	2018
	\$	\$
Note 6B: Plant and equipment		
Plant and equipment:		
at cost	246,018	235,696
accumulated depreciation	(222,610)	(197,088)
Total plant and equipment	<u>23,408</u>	<u>38,608</u>
Reconciliation of opening and closing balances of plant and equipment		
As at 1 January		
Gross book value	235,696	204,881
Accumulated depreciation and impairment	(197,088)	(164,771)
Net book value 1 January	<u>38,608</u>	<u>40,110</u>
Additions:		
By purchase	10,322	30,815
Depreciation expense	(25,522)	(32,317)
Net book value 31 December	<u>23,408</u>	<u>38,608</u>
Net book value as of 31 December represented by:		
Gross book value	246,018	235,696
Accumulated depreciation and impairment	(222,610)	(197,088)
Net book value 31 December	<u>23,408</u>	<u>38,608</u>

	2019	2018
	\$	\$
Note 6C: Other non-current assets		
Managed investments	<u>437,101</u>	<u>389,365</u>
Note 7A: Trade payables		
Trade creditors and accruals	10,229	33,786
Payables to other reporting unit*		
AEU Federal Office	-	-
Total trade payables	<u>10,229</u>	<u>33,786</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Notes to the Financial Statements
For the year ended 31 December 2019

	2019	2018
	\$	\$
Note 7B: Other payables		
Wages and salaries	-	-
Superannuation	28,956	31,227
Payable to employers for making payroll deductions of membership subscriptions*	-	-
Legal costs*	-	-
Litigation	-	-
Other legal costs	-	-
GST payable	55,206	48,145
PAYG payable	43,649	75,486
Accrued Expenses	15,123	13,750
Other	-	-
Total other payables	<u>142,934</u>	<u>168,608</u>
Total other payables are expected to be settled in:		
No more than 12 months	142,934	168,608
More than 12 months	-	-
Total other payables	<u>142,934</u>	<u>168,608</u>

	2019	2018
	\$	\$
Note 8A: Employee provisions*		
Office holders:		
Annual leave	16,873	10,657
Long service leave	27,624	35,037
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—office holders	<u>44,497</u>	<u>45,694</u>
Employees other than office holders:		
Annual leave	148,089	98,151
Long service leave - current	22,343	3,805
Long service leave - non-current	50,386	46,272
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—employees other than office holders	<u>220,818</u>	<u>148,228</u>
Total employee provisions	<u>265,315</u>	<u>193,922</u>
Current	214,930	147,650
Non-current	50,386	46,272
Total employee provisions	<u>265,316</u>	<u>193,922</u>

Notes to the Financial Statements
For the year ended 31 December 2019

Note 9A: General funds

Asset revaluation reserve		
Balance as at start of year	371,312	390,506
Transferred to reserve	32,775	-
Transferred out of reserve	-	(19,194)
Balance as at end of year	<u>404,087</u>	<u>371,312</u>
General account/ retained earnings		
Balance as at start of year	1,637,164	1,629,550
Transferred to reserve	172,315	7,614
Transferred out of reserve	-	-
Balance as at end of year	<u>1,809,479</u>	<u>1,637,163</u>
Total reserves	<u>2,213,566</u>	<u>2,008,475</u>

Note 9B: Other specific disclosures - funds*

Compulsory levy/voluntary contribution fund – if invested in assets

Other fund(s) required by rules		
Other funds		
Balance as at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	<u>-</u>	<u>-</u>

Notes to the Financial Statements
For the year ended 31 December 2019

	2019	2018
	\$	\$
Note 10A: Cash flow reconciliation		
Reconciliation of cash and cash equivalents as per balance sheet to cash flow statement:		
Cash and cash equivalents as per:		
Cash flow statement	662,186	477,123
Balance sheet	662,185	477,123
Difference	-	-
Reconciliation of profit/(deficit) to net cash from operating activities:		
Profit/(deficit) for the year	172,315	7,614
Adjustments for non-cash items		
Depreciation/amortisation	46,181	52,975
Impairment of receivables	-	(3,071)
Investments income	(14,691)	-
Gain on disposal of assets	-	-
Changes in assets/liabilities		
(Increase)/decrease in net receivables	12,375	26,081
(Increase)/decrease in prepayments	(42,959)	12,248
Increase/(decrease) in supplier payables	(23,557)	27,446
Increase/(decrease) in other payables	(25,674)	36,819
Increase/(decrease) in employee provisions	71,394	49,260
Increase/(decrease) in other provisions	-	-
Net cash from (used by) operating activities	<u>195,384</u>	<u>209,372</u>
Note 10B: Cash flow information*		
Cash inflows		
AEU Federal Office	-	-
Total cash inflows	<u>-</u>	<u>-</u>
Cash outflows		
AEU Federal Office	185,048	186,330
Total cash outflows	<u>185,048</u>	<u>186,330</u>

Notes to the Financial Statements
For the year ended 31 December 2019

Note 11 Contingent Liabilities, Assets and Commitments

The Registered organisation had no contingent liabilities/assets as at 31 December 2019 and 31 December 2018

The Registered organisation had no commitments for expenditure as at 31 December 2019 and 31 December 2018.

Note 12 Related Party Disclosures

Note 12A: Related party transactions for the reporting period

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

	2019	2018
	\$	\$
Revenue received from AEU - Federal office includes the following includes the following:		
Income	-	-
Expenses paid to AEU - Federal office includes the following:		
Capitation fees	114,714	106,971
Publication levy - Australian educator	12,221	11,606
Publication levy - TAFE teacher	666	621
ACTU campaign levy	21,725	20,606
Education international	11,211	8,379
Public education	14,084	13,624
	<u>174,621</u>	<u>161,807</u>
Loans to members includes the following:		
Members welfare loan	27,844	24,523

Terms and conditions of transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the yearend are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2019, the Australian Education Union – ACT Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2018: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. The loan provided to members receives a rate of interest of 0% and is repayable on a fortnightly basis.

Notes to the Financial Statements
For the year ended 31 December 2019

Note 13B: Key management personnel remuneration for the reporting period

	2019	2018
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	188,541	184,495
Annual leave accrued	6,216	-
Performance bonus	-	-
Total short-term employee benefits	194,757	184,495
Post-employment benefits:		
Superannuation	39,718	35,683
Other long-term benefits:		
Long-service leave	(7,413)	29,612
Termination benefits	-	-
Total	227,062	249,790

Note 14 Remuneration of Auditors

Value of the services provided		
Financial statement audit services	15,420	15,500
Other services	-	-
Total remuneration of auditors	15,420	15,500

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

Notes to the Financial Statements
For the year ended 31 December 2019

Note 15 Financial Instruments

The registered organisation’s activities expose it to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk. The entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the registered organisation.

Note 15A: Categories of Financial Instruments

Financial assets

	2019	2018
	\$	\$
At fair value through profit or loss:		
Managed investments	437,101	389,635
At amortised cost:		
Cash at bank	662,185	477,123
Loans and receivables:		
Trade receivables	-	14,772
Investment income receivable	929	1,853
Members welfare loan	27,844	24,523
Total	<u>28,773</u>	<u>41,148</u>
Carrying amount of financial assets	<u>1,128,059</u>	<u>907,906</u>

Financial liabilities

Other financial liabilities:		
Trade payables	10,229	33,786
Accrued expenses	15,123	13,750
Total	<u>25,352</u>	<u>47,536</u>

Notes to the Financial Statements
For the year ended 31 December 2019

	2019	2018
	\$	\$
Note 15B: Net income and expense from financial assets		
Short term investments		
Financial assets at fair value through profit and loss:		
Interest revenue	31	2,670
Investment income	16,468	14,525
Net gain/(loss) on financial assets at fair value through profit and loss	<u>16,499</u>	<u>17,195</u>

Note 15C: Credit risk

Credit risk is the risk of financial loss to the branch if a customer or counter party to a financial instrument fails to meet their contractual obligations.

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2019	2018
	\$	\$
• Financial Assets		
Investments	437,101	389,635
Cash and cash equivalents	662,185	477,123
Trade receivables	-	14,772
Investment income receivables	929	1,853
Members welfare loan	27,844	24,523
Total	<u>1,128,059</u>	<u>907,906</u>
• Financial Liabilities		
Trade and other payables	10,229	33,786
Accrued expenses	15,123	13,750
Total	<u>25,352</u>	<u>47,536</u>

Notes to the Financial Statements
For the year ended 31 December 2019

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

	Not past due nor impaired 2019 \$	Past due or impaired 2019 \$	Not past due nor impaired 2018 \$	Past due or impaired 2018 \$
2019				
Term deposits	-	-	-	-
Managed investments	437,101	-	389,635	-
Cash at bank	662,185	-	477,123	-
Trade debtors	-	-	14,772	-
Investment income receivable	929	-	1,853	-
Members welfare loan	27,844	-	24,523	-
Total	1,128,059		907,906	

Ageing of financial assets that were past due but not impaired for 2019

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
AEU Federal office	-	-	-	-	-
Others	-	-	-	-	-
Total	-	-	-	-	-

Ageing of financial assets that were past due but not impaired for 2018

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
AEU Federal office	-	-	-	-	-
Others	8,772	-	-	6,000	14,772
Total	8,772	-	-	6,000	14,772

Notes to the Financial Statements
For the year ended 31 December 2019

15D. Liquidity risk

Liquidity risk is the risk that the branch will not be able to fund its obligations as they fall due. Contractual maturities for financial liabilities

	On demand \$	< 1 year \$	1-2 years \$	2-5 years \$	> 5 Years \$	Total \$
2019						
Trade creditors	-	25,352	-	-	-	25,352
Total	-	25,352	-	-	-	25,352
	On demand \$	< 1 year \$	1-2 years \$	2-5 years \$	> 5 years \$	Total \$
2018						
Trade creditors	-	47,536	-	-	-	47,536
Total	-	47,536	-	-	-	47,536

15E. Market risk

Market risks generally include interest rate risk, price risk, and currency risk. The Branch is exposed mainly to interest rate risk in relation to the returns received from its Cash and Cash Equivalents and Managed Investments. All are domestic investments so there are no currency risks in relation to those investments held by the Branch.

Interest rate risk

The method and assumption used for sensitivity analysis for 2019 and 2018, are the same and illustrate the effect that a 2% change in interest rates will have on the Branch's profit and loss and Equity for both years. The change is equivalent to the approximate CPI variation during both years.

Notes to the Financial Statements
For the year ended 31 December 2019

Sensitivity analysis of the risk that the entity is exposed to for 2019

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss \$	Equity \$
Cash and cash equivalents interest rate risk	Interest rate	2	8,742	8,742
Managed investments interest rate risk	Interest rate	2	13,243	13,243

Sensitivity analysis of the risk that the entity is exposed to for 2018

	Risk variable \$	Change in risk variable \$ %	Effect on	
			Profit and loss \$	Equity \$
Cash and cash equivalents interest rate risk	Interest rate	2	9,542	9,542
Managed investments interest rate risk	Interest rate	2	7,793	7,793

15F. Price risk

The Branch is exposed to equity securities price risk through the investment portfolio. This arises from investments held by the Union and classified on the statement of financial position as fair value through profit and loss. The Union is not exposed to commodity price risk.

To manage its price risk arising from investments in equity securities, the Union diversifies its portfolio

16. Fair Value Measurement

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 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:

Notes to the Financial Statements

For the Year Ended 31 December 2018

- 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 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- 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 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

Assets and liabilities not measured at fair value but for which fair value is disclosed

The following table contains the carrying amounts and related fair values for the Australian Education Union – ACT Branch's financial assets and liabilities

	Carrying amount 2019 \$	Fair value 2019 \$	Carrying amount 2018 \$	Fair value 2018 \$
Financial assets				
Managed investments	437,101	437,101	389,635	389,635
Cash and cash equivalents	662,185	662,185	477,123	477,123
Trade receivables	-	-	14,772	14,772
Investment income receivables	929	929	1,853	1,853
Members welfare loan	27,844	27,844	24,523	24,523
Land and buildings	1,373,682	1,373,682	1,394,341	1,394,341
Total	2,501,741	2,501,741	2,302,247	2,302,247
Financial liabilities				
Trade payables	10,229	10,229	33,786	33,786
Accrued expenses	15,123	15,123	13,750	13,750
	25,352	25,352	47,536	47,536

Notes to the Financial Statements

For the Year Ended 31 December 2018

Note 16B: Financial and non-financial assets and liabilities 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 – 31 December 2019

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		\$	\$	\$
Managed investments		437,101	-	-
Land and buildings		-	1,373,682	-
Total		437,101	1,373,682	-

Fair value hierarchy – 30 June 2018

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		\$	\$	\$
Managed investments		389,635	-	-
Land and buildings		-	1,394,341	-
Total		-	-	-

Note 18 Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or Commissioner:

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

Australian Education Union ACT Branch

ABN 98 106 001 142

Officer declaration statement

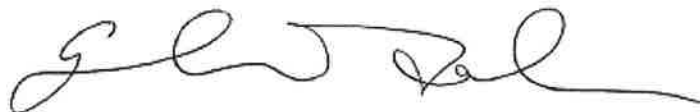
For the year ended 31 December 2019

I, Glen Fowler, being the Secretary of the Australian Education Union ACT Branch, declare that the following activities did not occur during the reporting period ending 31 December 2019.

The reporting unit did not:

(Note: delete items that appear elsewhere in the audited report)

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees or any other revenue amount from another reporting unit
- receive revenue via compulsory levies
- receive donations or grants
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- provide cash flows to another reporting unit and/or controlled entity
- receive cash flows from another reporting units and/or controlled entity
- make a payment to a former related party of the reporting unit



Signed by the officer:

Dated:7 April 2020

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