



12 November 2014

Ms Anita Jonsberg
Secretary
Australian Education Union
Northern Territory Branch
secretary@aeunt.org.au

CC: Barry Hansen, auditor, by email: reception@barryhansen.com.au

Dear Ms Jonsberg,

**Australian Education Union-Northern Territory Branch
Financial Report for the year ended 31 December 2013 - [FR2013/485]**

I acknowledge receipt of the financial report of the Australian Education Union-Northern Territory Branch. The documents were lodged with the Fair Work Commission on 17 June 2014. Further information was received from the branch on 29 October 2014.

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

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 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 2014 will be subject to an advanced compliance review.

An advanced compliance review confirms compliance with the legislative timeframes, the reporting guidelines, the relevant sections of the legislation and the relevant Australian Accounting Standards. An advanced compliance review examines all aspects of a reporting unit's financial report.

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

Timescale requirements

As you are aware, an organisation is required under the RO Act to undertake certain steps in accordance with specified timelines. Information about these timeline requirements can be found on the Fair Work Commission website. In particular, I draw your attention to Financial reporting process and timelines which explains the timeline requirements, and Diagrammatic summary of financial reporting timelines which sets out the timeline requirements in diagrammatical form.

I have attached a copy to this letter.

I note that the following timescale requirements were not met:

Committee of Management Statement

The Committee of Management statement provides that the resolution contained in the statement was passed on 8 May 2014. However, the Auditor's statement, dated 29 April 2014, declares that they audited the Committee of Management Statement.

There appears to be an error in these dates. Please note the resolution of the Committee of Management *must* be passed before the Auditor is able to audit the resultant statement. In future years, please ensure that these events occur and are reported in the appropriate order.

Documents must be lodged with the Fair Work Commission within 14 days of General Meeting

Section 268 of the RO Act, states that the full report and the designated officer's certificate are required to be lodged with the Fair Work Commission within 14 days of the meeting of members. The Designated Officer's Certificate indicates that this meeting occurred on 9 or 10 May 2014. If this is correct the full report should have been lodged with the Fair Work Commission by 24 May 2014.

The full report was lodged on 17 June 2014.

If these dates are correct, the branch should have applied for an extension of time to lodge the required reports and the designated officer's certificate in accordance with section 268 of the RO Act.

Please note that in future financial years if the branch cannot lodge on time, a written request for an extension of time, signed by a relevant officer, including any reason for the delay, must be made prior to the required date of lodgement.

Reports must be provided to Members at least 21 days before the General Meeting of Members

The designated officer's certificate states that the financial report was provided to members on 8 May 2014, and presented to a general meeting of members on 9 or 10 May 2014. Under section 265(5)(a) of the RO Act, where the report is presented to a general meeting of members, the report must be provided to members at least 21 days before that meeting.

If these dates are correct, the reporting unit only provided members the financial report 1 day before the general meeting.

Please note that subsection 265(5) is a civil penalty provision and future failure to meet this timelines may result in an inquiry into the organisation and the General Manager of the FWC may apply under s.310(1) of the RO Act to the Federal Court of Australia for a pecuniary penalty order to be imposed on your organisation and, potentially, an officer whose conduct led to the non-compliance.

Revenue recognition

The Australian Accounting Standard *AASB 101 Presentation of Financial Statements* paragraph 117 and *AASB 118: Revenue* paragraph 35(a) requires that the entity must disclose the measurement basis or bases used in recognising revenue.

The accounting policy for membership fees for the branch has not been disclosed.

Auditor's report: declaration regarding going concern

Paragraph 45 of the reporting guidelines requires an auditor to include in the auditor's statement a declaration that as part of the audit of the financial statement they have concluded that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate. This declaration was not included in the auditor's statements.

Related Parties

The report does not disclose any related party transactions. Related party transactions are required to be disclosed under Australian Accounting Standard AASB124 *Related Party Disclosures* paragraph 18.

While it is possible that the organisation did not, during the 2013 financial year, transact with related parties, this is rare for an branch. Future reports may wish to include a specific entry within the notes stating this to prevent further inquiries.

Key management personnel

Australian Accounting Standard AASB 124 *Related Party Disclosures* paragraph 17 requires the General Purpose Financial Report to disclose within the statements or the notes compensation paid to key management personnel.

This normally includes a listing of the key management personnel for the organisation, the total amount of compensation paid to all key management personnel, and then totals for each of the following categories:

- Short term employee benefits
- Post employment benefits
- Other long term employee benefits
- Termination benefits
- Any share based payments.

The definition for these categories can be found within accounting standard AASB 119: *Employee Benefits*.

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the reporting guideline and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 8661 7974 or via email at catherine.bebbington@fwc.gov.au.

Kind regards,



CATHERINE BEBBINGTON

Regulatory Compliance Branch

FAIR WORK COMMISSION

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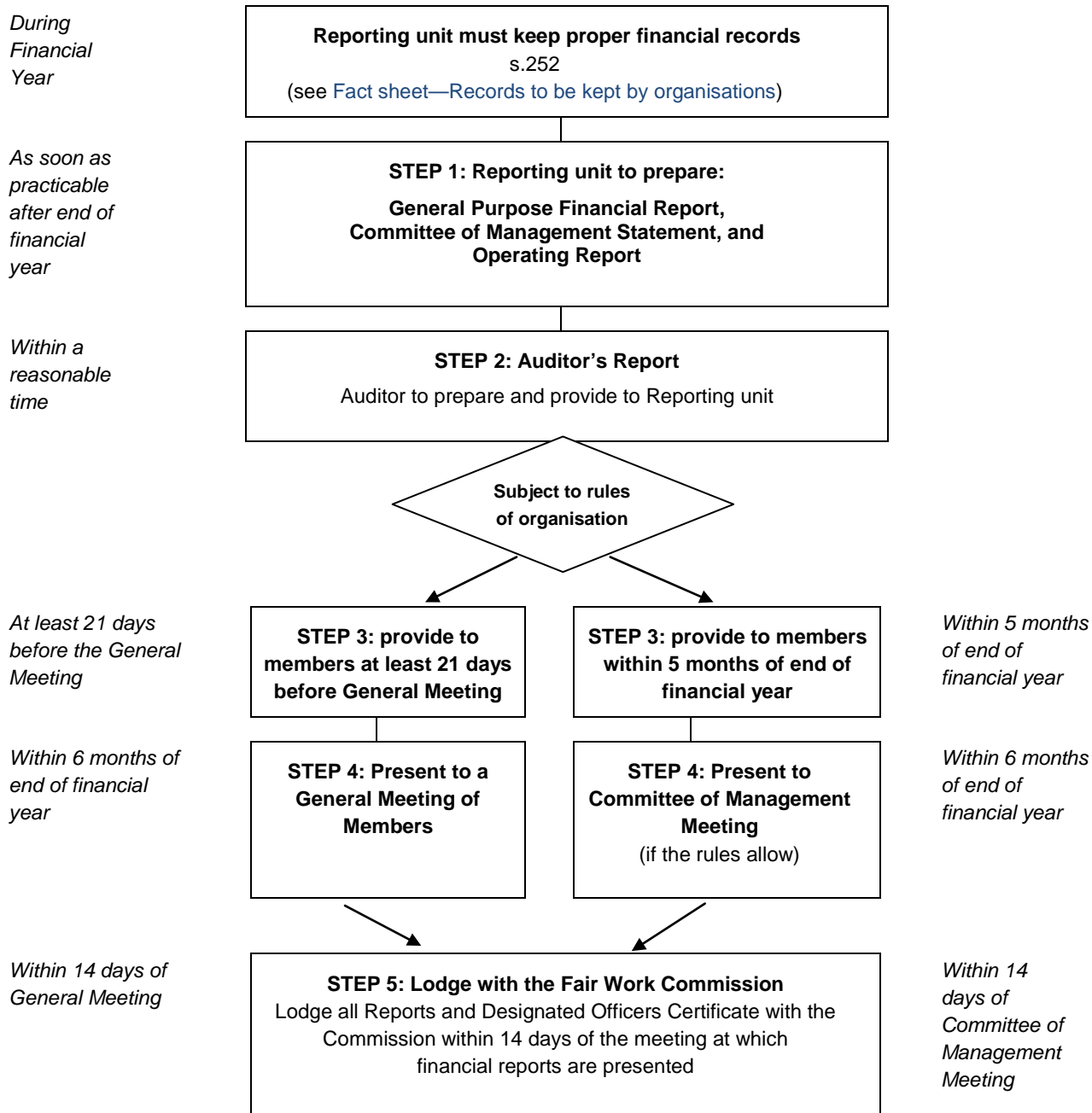
Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

Fact sheet

Summary of financial reporting timelines

Financial reports are to be lodged with the Fair Work Commission (the Commission) within 6 months and 14 days of the end of the financial year, by completing the steps as outlined below.

See Fact sheet—Financial reporting for an explanation of each of these steps.

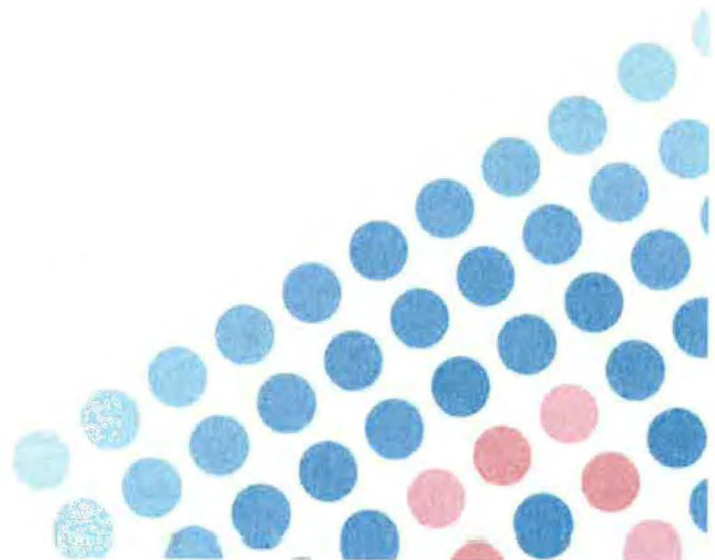


Australian Education Union NT Branch

Financial Statements

for

the year ended 31 December 2013



Australian Education Union NT Branch

ABN: 64 406 978 451

Financial Report For The Year Ended 31-December-2013

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AUSTRALIAN EDUCATION UNION NT BRANCH

ABN: 64 406 978 451

COMMITTEE OF MANAGEMENT REPORT

Your members present this report on the registered organisation for the financial year ended 31 December 2013.

Committee Members

The names of each person who has been a committee member during the year and to the date of this report are:

President – Matthew Cranitch (Union Official)

Secretary – Peter Clisby (Union Official)

Vice-President (General Division) – Rachel Helliwel until 21 January 2013

Stephen Pelizzo from 21 January 2013

Vice-President (TAFE) – Gerry McKeegan until 21 January 2013

Renzo Giuliani from 21 January 2013 till 17 June 2013

Wynton Nathan from 5 September 2013

Treasurer – Stephen Pelizzo until 21 January 2013

Julie Danvers from 16 April 2013

Women's Officer – election March 2013 , Melanie Baldwin from 16 April 2013

Indigenous Officer – election March 2013 , Cassandra Brown from 16 April 2013

Executive Councillor – Dean Parkin

Executive Councillor – Martin Griffin

Executive Councillor – Paula Thornton

Executive Councillor – Wayne McGillivray

Executive Councillor – Peter Hardcastle

Executive Councillor – Glynis Winslade

Executive Councillor – Liam Phillips

Executive Councillor – Judy Boland

Executive Councillor – Melanie Baldwin until 16 April 2013

Executive Councillor – Mike Bodnar from 15 March 2013

Executive Councillor – Kathryn Leo from 1 June 2013 till 27 July 2013

Sally Bryan from 1 September 2013

Executive Councillor – Nathaniel Smith from 22 March 2013

Executive Councillor – Julie Danvers until 16 April 2013

Principal Activities

The principal activities of the registered organisation during the financial year were: union activities for teachers in the Northern Territory.

Significant Changes

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

Operating Result

The profit/(loss) from ordinary activities after providing for income tax amounted to

2013	2012
(\$277,674)	\$53,734

Auditor's independence Declaration

The auditor's independence declaration for the year ended 31 December 2013 has been received and can be found on page 3 of the financial report.

Signed in accordance with a resolution of the Members of the Committee.

President



Matthew Cranitch

Dated this

29th

day of April 2014.

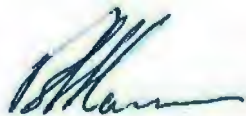
AUSTRALIAN EDUCATION UNION N.T. BRANCH

Auditor's Independence Declaration

To the members of Australian Education Union N.T. Branch

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2013 there have been:

- (i) no contraventions of the auditor independence requirements set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Barry Hansen
Registered Company Auditor

AUSTRALIAN EDUCATION UNION NT BRANCH
ABN: 64 406 978 451
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 \$	2012 \$
Revenue	2	1,182,788	1,211,763
Employee benefits expense (elected office-holders)	2(a)	(263,268)	(241,677)
Employee benefits expense(non-office-holders employees)		(372,601)	(328,213)
Depreciation and amortisation expense		(23,697)	(25,053)
Staff training and development expenses		(773)	(653)
Doubtful debts expense		(865)	(9,404)
Repairs, maintenance and vehicle running expenses		(16,402)	(11,664)
Fuel, Light and power expense		(8,557)	(5,239)
AEU expenses		(13,194)	(17,048)
Capitation fees		(75,212)	(59,052)
Committee expenses		(118,453)	(97,194)
Conference/seminar costs		(143,875)	(76,940)
Payroll tax		(40,230)	(27,271)
Specific projects expenses		(102,850)	(28,667)
Organiser expenses		(9,300)	(18,068)
Fringe Benefits tax		(5,613)	(7,502)
Affiliation fees		(7,400)	(8,053)
Insurance		(20,400)	(17,720)
Hire plant and equipment		(12,991)	(10,828)
Computer expenses		(48,759)	(29,723)
Telephone		(20,205)	(17,526)
Travel and accommodation		(7,088)	(14,756)
Audit fees	12	(7,134)	(7,900)
Legal Fees		(26,062)	(46,471)
Consultancy fees		(37,116)	(23,158)
Other expenses		(78,418)	(28,249)
Profit before income tax		(277,674)	53,734
Income tax expense	1(k)	-	-
Profit for the year		(277,674)	53,734
Profit attributable to members of the entity		(277,674)	53,734

The accompanying notes form part of these financial statements.

AUSTRALIAN EDUCATION UNION NT BRANCH
ABN: 64 406 978 451
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013	2012
		\$	\$
Profit for the year		(277,674)	53,734
Other comprehensive income:			
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>(277,674)</u>	<u>53,734</u>
Total comprehensive income attributable to members of the entity		<u>(277,674)</u>	<u>53,734</u>

The accompanying notes form part of these financial statements.

AUSTRALIAN EDUCATION UNION NT BRANCH
ABN: 64 406 978 451
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

	Note	2013 \$	2012 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	1,110,689	1,402,431
Accounts receivable and other debtors	4	<u>515</u>	<u>1,005</u>
TOTAL CURRENT ASSETS		<u>1,111,203</u>	<u>1,403,436</u>
NON-CURRENT ASSETS			
Financial assets	5	10	10
Property, plant and equipment	6	<u>388,062</u>	<u>383,613</u>
TOTAL NON-CURRENT ASSETS		<u>388,072</u>	<u>383,623</u>
TOTAL ASSETS		<u>1,499,275</u>	<u>1,787,059</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	7	96,486	108,314
Provision for employee benefits	8	<u>44,573</u>	<u>54,950</u>
TOTAL CURRENT LIABILITIES		<u>141,059</u>	<u>163,264</u>
NON-CURRENT LIABILITIES			
Provision for employee benefits	8	<u>26,347</u>	<u>15,117</u>
TOTAL NON-CURRENT LIABILITIES		<u>26,347</u>	<u>15,117</u>
TOTAL LIABILITIES		<u>167,406</u>	<u>178,381</u>
NET ASSETS		<u>1,331,868</u>	<u>1,608,678</u>
EQUITY			
Retained surplus		<u>1,331,868</u>	<u>1,608,678</u>
TOTAL EQUITY		<u>1,331,868</u>	<u>1,608,678</u>

The accompanying notes form part of these financial statements.

AUSTRALIAN EDUCATION UNION NT BRANCH
ABN: 64 406 978 451
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	Retained Surplus \$	Revaluation Surplus \$	Financial Assets Reserve \$	Total \$
Balance at 1 January 2012		1,522,559			1,522,559
Comprehensive Income					
Surplus for the year attributable to members of the entity		81,724			81,724
Total comprehensive income attributable to members of the entity		81,724	-	-	81,724
Balance at 31 December 2012		1,604,283	-	-	1,604,283
Comprehensive Income					
Opening balance adjustment		5,259			5,259
Surplus for the year attributable to members of the entity		(277,674)			(277,674)
Total comprehensive income attributable to members of the entity		(272,415)	-	-	(272,415)
Balance at 31 December 2013		1,331,868	-	-	1,331,868

The accompanying notes form part of these financial statements.

AUSTRALIAN EDUCATION UNION NT BRANCH
ABN: 64 406 978 451
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 \$	2012 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipt of grants and other income		1,254,375	1,278,638
Payments to suppliers and employees		(1,560,864)	(1,156,552)
Interest received		<u>42,893</u>	<u>53,436</u>
Net cash generated from operating activities	9	<u>(263,596)</u>	<u>175,522</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		<u>(28,146)</u>	<u>(15,770)</u>
Net cash used in investing activities		<u>(28,146)</u>	<u>(15,770)</u>
Net increase/(decrease) in cash held		(291,742)	159,752
Cash and cash equivalents at the beginning of the financial year		<u>1,402,431</u>	<u>1,242,679</u>
Cash and cash equivalents at the end of the financial year	3	<u><u>1,110,689</u></u>	<u><u>1,402,431</u></u>

The accompanying notes form part of these financial statements.

AUSTRALIAN EDUCATION UNION NT BRANCH
ABN: 64 406 978 451
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the requirements of the Fair Work (Registered Organisations) Act 2009.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

(a) Revenue

Australian Education Union NT Branch receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of comprehensive income.

Donations and bequests are recognised as revenue when received.

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

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

All revenue is stated net of the amount of goods and services tax (GST).

(b) Inventories on hand

Inventories are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost or for nominal consideration are measured at the current replacement cost as at the date of acquisition.

(c) Property, Plant and Equipment

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

Freehold Property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

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

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

As the revalued buildings are depreciated, the difference between depreciation recognised in the statement of comprehensive income, which is based on the revalued carrying amount of the asset, and the depreciation based on the asset's original cost, is transferred from the revaluation surplus to retained earnings.

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

Freehold land and buildings that have been contributed at no cost or for nominal cost are initially recognised and measured at the fair value of the asset at the date it is acquired.

AUSTRALIAN EDUCATION UNION NT BRANCH

ABN: 64 406 978 451

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost are recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Plant and equipment	15-40%
Motor Vehicles	15-20%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(d) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the entity, are classified as finance leases.

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

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

(e) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the registered organisation commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

AUSTRALIAN EDUCATION UNION NT BRANCH

ABN: 64 406 978 451

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the registered organisation's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) Available-for-sale financial assets

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the registered organisation assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a 'loss event') has occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, indications that they will enter bankruptcy or other financial reorganisation and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the writing off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the registered organisation recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

AUSTRALIAN EDUCATION UNION NT BRANCH

ABN: 64 406 978 451

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(f) Impairment of Assets

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

Where it is not possible to estimate the recoverable amount of an individual asset, the registered organisation estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(g) Employee Benefits

Provision is made for the registered organisation's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows attributable to employee benefits.

Contributions are made by the registered organisation to an employee superannuation fund and are charged as expenses when incurred.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(i) Accounts receivable and other debtors

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

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

(j) Goods and Services Tax (GST)

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

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

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

(k) Income Tax

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

(l) Intangibles

Software

Software is initially recognised at cost. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between 2 and 4 years. It is assessed annually for impairment.

(m) Provisions

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

AUSTRALIAN EDUCATION UNION NT BRANCH

ABN: 64 406 978 451

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(n) Comparative Figures

Where required by Accounting Standards or change in accounting policy comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(o) Accounts Payable and Other Payables

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

(p) Critical Accounting Estimates and Judgments

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

(q) Information to be provided to Members or Registrar

- 1 A member of a reporting unit, or a Registrar, 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 NT BRANCH
ABN: 64 406 978 451
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

Note 2 Revenue and Other Income

	Note	2013 \$	2012 \$
— Conference Income		3,073	2,818
— Membership fees		1,130,566	1,127,168
— Rebates and refunds		5,119	2,029
— Body Corporate Income		1,138	3,399
— DET Relief Teacher Funding		-	22,913
		<u>1,139,896</u>	<u>1,158,327</u>
Other revenue			
— interest received		42,893	53,436
		<u>42,893</u>	<u>53,436</u>
Total revenue		<u>1,182,788</u>	<u>1,211,763</u>
Total revenue and other income		<u>1,182,788</u>	<u>1,211,763</u>

Note 2(a) Employee Benefits Expense (Elected Office-Holders)

There were 2 elected office-holders during the year

Their remuneration as disclosed on page 3 comprises of the following components

— Salaries	241,491	221,722
— Superannuation	21,777	19,855
Total Employee Benefits expense (Elected office-holders)	<u>263,268</u>	<u>241,677</u>

Note 3 Cash and Cash Equivalents

CURRENT

Cash at bank - unrestricted	1,110,393	1,402,431
Cash float	296	-
Total cash and cash equivalents as stated in the statement of financial position	<u>1,110,689</u>	<u>1,402,431</u>
Total cash and cash equivalents as stated in the cash flow statement	<u>1,110,689</u>	<u>1,402,431</u>

Note 4 Accounts Receivable and Other Debtors

CURRENT

Accounts receivable	1,315	1,005
Provision for doubtful debts	(800)	-
	<u>515</u>	<u>1,005</u>
Total current accounts and other receivables	<u>515</u>	<u>1,005</u>

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AUSTRALIAN EDUCATION UNION NT BRANCH

ABN: 64 406 978 451

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

Note 5 Financial Assets

	Note	2013 \$	2012 \$
NON-CURRENT			
— Investments in shares		10	10
		<u>10</u>	<u>10</u>

Note 6 Property, Plant and Equipment

LAND AND BUILDINGS

Buildings at fair value:

— Directors valuation

	320,389	320,389
Total buildings	<u>320,389</u>	<u>320,389</u>
Total land and buildings	<u>320,389</u>	<u>320,389</u>

PLANT AND EQUIPMENT

Plant and equipment

At cost

Less accumulated depreciation

Motor vehicles

At cost

(Accumulated depreciation)

Total plant and equipment

Total property, plant and equipment

	123,037	94,891
	<u>(86,227)</u>	<u>(77,420)</u>
	<u>36,810</u>	<u>17,471</u>
	119,584	119,584
	<u>(88,721)</u>	<u>(73,831)</u>
	<u>30,863</u>	<u>45,753</u>
	<u>67,673</u>	<u>63,224</u>
	388,062	383,613

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land and Buildings \$	Motor Vehicles \$	Plant and Equipment \$	Total \$
2012				
Balance at the beginning of the year	320,389	63,531	8,976	392,896
Additions at cost	-		15,770	15,770
Depreciation expense	-	(17,778)	(7,275)	(25,053)
Carrying amount at end of year	<u>320,389</u>	<u>45,753</u>	<u>17,471</u>	<u>383,613</u>
2013				
Balance at the beginning of the year	320,389	45,753	17,471	383,613
Additions at cost			28,146	28,146
Depreciation expense		(14,890)	(8,807)	(23,697)
Carrying amount at end of year	<u>320,389</u>	<u>30,863</u>	<u>36,810</u>	<u>388,062</u>

Note 7 Accounts Payable and Other Payables

	Note	2013 \$	2012 \$
CURRENT			
Accounts payable		39,917	15,449
Accrued wages		15,407	-
Other current payables		8,470	26,377
GST payable		6,584	8,496
Amounts held from salary and wages		26,108	57,992
	7(a)	<u>96,486</u>	<u>108,314</u>

AUSTRALIAN EDUCATION UNION NT BRANCH
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

		2013 \$	2012 \$
(a) Financial liabilities at amortised cost classified as trade and other payables			
Accounts payable and other payables			
— Total current		96,486	108,314
		96,486	108,314
Less deferred income			
Less annual leave entitlements			
Financial liabilities as accounts payable and other payable:	10	96,486	108,314

Note 8 Provisions

CURRENT

Short-term Employee Benefits

Opening balance at 1 January 2013	44,752	38,045
Additional provisions raised during year	-	6,707
Balance at 31 December 2012	44,573	44,752

NON-CURRENT

Long-term Employee Benefits

Opening balance at 1 January 2013	13,859	38,323
Additional provisions raised during year	12,488	-
Amounts used	-	(24,464)
Balance at 31 December 2012	26,347	13,859

Analysis of Total Provisions

Current	44,573	54,950
Non-current	26,347	15,117
	70,920	70,067

Provision for Non-current Employee Benefits

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1 of financial statements.

AUSTRALIAN EDUCATION UNION NT BRANCH

ABN: 64 406 978 451

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

Note 9 Cash Flow Information

Reconciliation of Cashflow from Operations with Profit after Income Tax	2013	2012
	\$	\$
Profit after income tax	(277,674)	53,734
Non cash flows		
Depreciation and amortisation expense	23,697	25,053
Profit on sale of property, plant and equipment	-	7,273
Doubtful debts expense	865	9,404
Changes in assets and liabilities		
(Increase)/decrease in accounts receivable and other debtors	490	2,733
Increase/(decrease) in accounts payable and other payables	(11,828)	(21,612)
Increase/(Decrease) in provisions for employee benefits	854	(45,945)
Increase in other provisions	-	50,620
	(263,596)	81,260

Note 10 Financial Risk Management

The registered organisation's financial statements consist mainly of deposits with banks, local money market instruments, short-term investments and long-term investments, receivables and payables, and lease liabilities.

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

	Note		
Financial Assets			
Cash and cash equivalents	3	1,110,689	1,402,431
Accounts receivable and other debtors	4	515	1,005
— investments in Australian listed shares, available for sale	5	10	10
Total Financial Assets		1,111,213	1,403,446
Financial Liabilities			
Financial liabilities at amortised cost			
— Accounts payable and other payables	7(a)	96,486	108,314
Total Financial Liabilities		96,486	108,314

Financial Risk Management Policies

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

Specific Financial Risk Exposures and Management

The main risks the registered organisation is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk. There have been no substantive changes in the types of risks the registered organisation is exposed to, how these risks arise, or the Committee's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Credit risk

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

Credit Risk Exposures

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

Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 4.

AUSTRALIAN EDUCATION UNION NT BRANCH

ABN: 64 406 978 451

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

Fair value estimation

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

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

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

	Footnote	2013		2012	
		Carrying Value	Fair Value	Carrying Value	Fair Value
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	(i)	1,110,689	1,402,431	1,402,431	1,242,679
Accounts receivable and other debtors	(i)	515	1,005	1,005	218
— listed investments available for sale	(ii)	10	10	10	10
Total financial assets		<u>1,111,213</u>	<u>1,403,446</u>	<u>1,403,446</u>	<u>1,242,907</u>
Financial liabilities					
Accounts payable and other payables	(i)	96,486	122,906	108,314	36,876
Total financial liabilities		<u>96,486</u>	<u>122,906</u>	<u>108,314</u>	<u>36,876</u>

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

- (i) Cash and cash equivalents, accounts receivable and other debtors and accounts payable and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables excludes amounts relating to the provision of annual leave which is outside the scope of AASB 139.
- (ii) For listed available-for-sale and held-for-trading financial assets, closing quoted bid prices at the end of the reporting period are used. In determining the fair values of the unlisted available-for-sale financial assets, the directors have used inputs that are observable either directly (as prices) or indirectly (derived from prices).

Note 11 Reserves

(a.) Revaluation Surplus

The revaluation surplus records the revaluations of non-current assets. Where revaluations are deemed to represent profits of a permanent nature, dividends may be declared from this surplus.

(b.) Financial Assets Reserve

The financial asset reserve records revaluation increments and decrements (that do not represent impairment write-downs) that relate to financial assets that are classified as available-for-sale.

Note 12 Auditor's Fees

	2013	2012
	\$	\$
— Fees to the auditor for the audit of financial statements	7,134	7,900
Total Auditor's Fees	<u>7,134</u>	<u>7,900</u>

Note 13 Entity Details

The registered office of the entity is:

Australian Education Union NT Branch
PO Box 41863
Nightcliff
NT 0811

AUSTRALIAN EDUCATION UNION NT BRANCH
ABN: 64 406 978 451
COMMITTEE OF MANAGEMENT STATEMENT

In accordance with a resolution of the members of Australian Education Union NT Branch, the members declare that:

1. The financial statements and notes, as set out on pages 4 to 18, are in accordance with the Fair Work (Registered Organisations) Act 2009 and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 31 December 2013 and of the performance for the year ended on that date of the registered organisation.
 - (c) comply with reporting guidelines of the General Manager.
2. In the members' opinion there are reasonable grounds to believe that the association will be able to pay its debts as and when they become due and payable.
3. In the members' opinion the financial records of the Australian Education Union NT Branch have been kept, as far as practicable, in a consistent manner to each of the other branches of the Australian Education Union around the country.
4. during the financial year to which the general purpose financial 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 the branch concerned; and
 - (iii) the financial affairs of the reporting unit have been managed in accordance with RO Act; and
 - (iv) information have been furnished to any member of the reporting unit or to the General Manager, as the case may be, where information sought by the member of the General Manager was duly made under section 272 of the RO Act; and
 - (v) there has been compliance with any order of inspection of financial records made by the Fair Work Commission under section 273 of the RO Act.
5. The reporting unit has not engaged in recovery of wages activity which has resulted in the derivation of revenue in respect of such activity.

President



Matthew Cranitch

Dated this

9th

day of

April

2014

AUSTRALIAN EDUCATION UNION NT BRANCH

Independent audit report

To the members of Australian Education Union NT Branch

Scope

The financial report and the Branch's responsibility

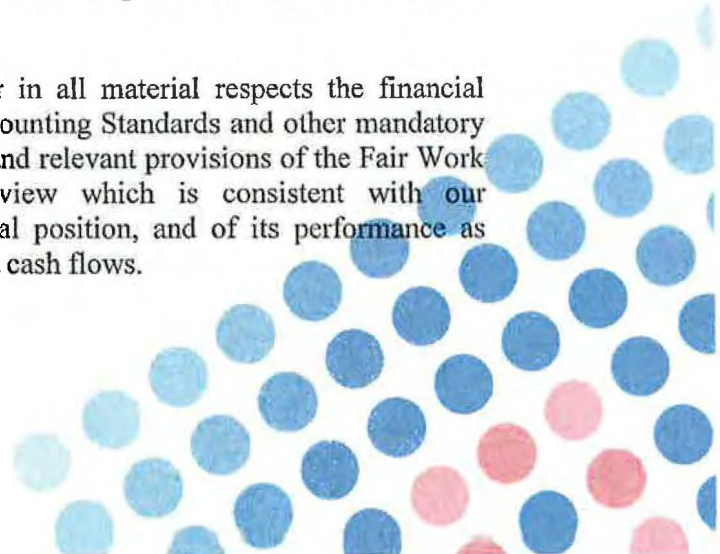
The financial report is a general purpose report comprising the Committee's Report, Statement by Members of the Management Committee, Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and accompanying Notes to the Financial Statements for the Australian Education Union NT Branch ("the Branch") for the year ended 31 December 2013.

The Branch is responsible for preparing a financial report that presents fairly the financial position and performance of the Branch and that complies with Accounting Standards and other mandatory financial reporting requirement in Australia and relevant provisions of the Fair Work (Registered Organisations) Act 2009. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

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

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia and relevant provisions of the Fair Work (Registered Organisations) Act 2009, a view which is consistent with our understanding of the Branch and its financial position, and of its performance as represented by the results of its operations and cash flows.



AUSTRALIAN EDUCATION UNION NT BRANCH

Independent audit report to the members of the Australian Education Union NT Branch (con't)

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

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial reports; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the committee.

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

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial report. These and our other procedures did not include consideration or judgment of the appropriateness or reasonableness of the business plans or strategies adopted by the Branch or management.

Independence

We are independent of the Branch, and have met the independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In our opinion the general purpose financial report of the Australian Education Union NT Branch for the year ended 31 December 2013 is presented fairly, in accordance with applicable Australian Accounting Standards and the requirements imposed by the Fair Work (Registered Organisations) Act 2009.



Barry Hansen
Registered Company Auditor
Darwin

Date: 29 April 2014

In order to file the report of the AEU-NT the following information is required:

- A Designated Officer's certificate must be supplied;
 - Signed by the secretary or other authorised officer
 - A template is included below.
- The date that the resolution written about on page 19 of the financial statements occurred (the Committee of Management Statement);
 - This date should have appeared in the first paragraph of page 19
 - For future years a template of this document has also been supplied.
- A Supplement to the Operating Report that contains the remainder of the information required to be in the operating report. It appears that this is the document located at pages 1 and 2 of the financial statements and called the 'Committee of Management Report'. However, not all of the required information is present. This information can be supplied in a letter. However, for future reference in addition to the information already in the report, the operating report must also contain:
 - The number of members of the branch;
 - The number of employees of the branch measured as a full-time equivalent figure;
 - A statement whether there were significant changes in the financial affairs of the branch;
 - Information on the right of members to resign, including an excerpt of the relevant rule or the number of the rule so that the members can find the information themselves;
 - The names of any officers or members who hold a position on a superannuation board because of their membership of the branch (if there are none, a statement that there are none);
- A breakdown of expenses and provisions for employees who are holders of office (officers) and employees who are not holders of office.
 - The Reporting Guidelines require it to be broken down into particular categories, please see the information below.

Australian Education Union Northern Territory

s.268 Fair Work (Registered Organisations) Act 2009

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER¹

Certificate for the period ended 31 December 2013

I Peter Hardcastle being the Secretary of the Australian Education Union Northern Territory (AEUNT) certify:

- that the documents lodged herewith are copies of the full report for the Australian Education Union Northern Territory statement of financial accounts for the period ended 31 December 2013 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 (executive AEUNT) on 8 May 2014 at executive pre-conference meeting; and
- that the full report was presented to members at the 2014 AEUNT annual conference on 9 and 10 May 2014 by the treasure in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:



Name of prescribed designated officer:

PETER HARDCASTLE

Title of prescribed designated officer:

A / SECRETARY

Dated:

24-10-2014

¹ Regulation 162 of the Fair Work (Registered Organisations) Regulations 2009 defines a 'prescribed designated officer' of a reporting unit for the purposes of s.268(c) as:

- (a) the secretary; or
- (b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

COMMITTEE OF MANAGEMENT STATEMENT

for the period ended 31 December 2013

On the 8th of May 2014 the Executives of the Australian Education Union Northern Territory (AEUNT) passed the following resolution in relation to the general purpose financial report (GPRF) for the year ended 31 December 2014

The AEUNT Executives declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) *where the reporting unit has not derived revenue from undertaking recovery of wages activity, include the statement 'no revenue has been derived from undertaking recovery of wages activity during the reporting period' or*
- (g) where the reporting unit has derived revenue from undertaking recovery of wages activity:

- (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the General Manager; and
- (ii) the committee of management instructed the auditor to include in the scope of the audit required under subsection 257(1) of the RO Act all recovery of wages activity by the reporting unit from which revenues had been derived for the financial year in respect of such activity; and
- (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
- (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
- (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

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

Signature of designated officer:

Name and title of designated officer:

Dated:

24 - 10 - 2014

PETER HARCASILE A/SECRETARY

Employee and Officer Expenses/Provisions:**Employee expenses***

	2013	2012
Holders of office:		
Wages and salaries	215,752.00 ✓	-
Superannuation	21,777.00 ✓	-
Leave and other entitlements	25,740.00 ✓	-
Separation and redundancies	0.00	-
Other employee expenses	0.00	-
Subtotal employee expenses holders of office	263,269.00 ✓	-
Employees other than office holders:		
Wages and salaries	299,204.00 ✓	-
Superannuation	29,342.00 ✓	-
Leave and other entitlements	27,699.00 ✓	-
Separation and redundancies	0.00	-
Other employee expenses	0.00	-
Subtotal employee expenses employees other than office holders	356,245.00 ✓	-
Total employee expenses	-	-

Employee provisions*

Office Holders:		
Annual leave	41,365.00 ✓	-
Long service leave	0.00	-
Separations and redundancies	0.00	-
Other	13,789.00 ✓	-
Subtotal employee provisions—office holders	-	-
Employees other than office holders:		
Annual leave	37,285.00 ✓	-
Long service leave	0.00	-
Separations and redundancies	0.00	-
Other	18,651.00 ✓	-
Subtotal employee provisions—employees other than office holders	-	-
Total employee provisions	-	-
Current	-	-
Non Current	-	-
Total employee provisions	-	-

Supplementary Operating Report AEUNT:

1. At the end of 2013, the AEUNT had 1895 members.
2. There were six staff employed (FTE).
3. There were no significant changes to the financial affairs of the branch.
4. Resignation from Membership and Termination of Eligibility (see attachment).
5. To the best of our knowledge and belief, no officers or members hold positions on superannuation boards because of their membership of the branch.
6. To the best of our knowledge and belief, no Officers or FTEs are members of a board or directors of a company.

the Branch to which he/she transfers any subscriptions levies or fines payable by him/her which are unpaid at the date of transfer.

17 - RESIGNATION FROM MEMBERSHIP AND TERMINATION OF ELIGIBILITY

- (1) Subject to sub-rule 17(1A) a member becomes ineligible for membership of the Union when he/she no longer meets the conditions of eligibility for membership of the Union.
- (1A) The following persons shall after the date referred to in sub-rule 5(12) be eligible to retain membership of the Union notwithstanding the fact that they are no longer eligible for membership within the conditions of eligibility for membership set out in rule 5:

- (a) members who are eligible for membership pursuant to paragraphs 5(3)(a), (b) or (c) and are -
 - (i) seconded by their employer to non-teaching duties, or
 - (ii) appointed by the Minister for Education to any Board, Committee or statutory authority;
- (b) members who were formerly eligible for membership pursuant to paragraph 5(4)(a), (b) or (c) and have commenced to be employed elsewhere in the Victorian Education Department or in a technical and further education institution or by the Technical and Further Education Board or are seconded by their employer to perform professional duties requiring teacher qualifications;
- (c) persons who become members of the Union prior to the date referred to in sub-rule 5(12) pursuant to paragraphs 5(3)(d) or 5(4)(d);

provided that persons who are entitled to retain membership pursuant to this sub-rule should not be entitled to retain membership after the expiration of the secondment or appointment.

- (2) A member who becomes ineligible for membership of the Union shall within seven days thereof give written notice of the fact and the reason therefore to the Secretary of the Branch to which he/she is attached.
- (3) A member may resign from membership of the Union by written notice addressed to and delivered to the Secretary of the Branch to which the member is attached.
- (4) A notice of resignation from membership takes effect:-
- (a) where the member ceases to be eligible to become a member of the Union -
 - (i) on the day on which the notice is received at the office of the relevant Branch Secretary; or
 - (ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;whichever is later; or
 - (b) in any other case -
 - (i) at the end of 2 weeks after the notice is received at the office of the relevant Branch Secretary; or

- (ii) on the day specified in the notice;

whichever is later.

- (5) Any subscriptions, levies or fines which are due and payable but have not been paid by a former member in relation to a period before the member's resignation took effect, may be sued for and recovered in the name of the Union, in a court of competent jurisdiction, as a debt due to the Union.
- (6) A notice delivered to the relevant Branch Secretary shall be taken to have been received by the Union when it was delivered.
- (7) A notice of resignation that has been received at the office of the relevant Branch Secretary is not invalid because it was not addressed and delivered in accordance with sub-rule (1).
- (8) A resignation from membership is valid even if it is not effected in accordance with this section if the member is informed in writing by or on behalf of the Union that the resignation has been accepted.
- (9) A relevant Branch Secretary may accept a resignation from membership which is not effected in accordance with this Rule.
- (10) Where the relevant Branch Secretary accepts a resignation in accordance with the previous sub-rule the relevant Branch Secretary shall inform the member in writing that his/her resignation has been accepted.
- (11) On receipt of a written notice from a member that he/she has become ineligible for membership of the Union or a notice of resignation or on acceptance of a resignation which is not effected in accordance with this Rule, the Branch Secretary shall, as soon as possible notify the Federal Secretary that the member has become ineligible for membership or that the member has resigned.

18 - DETERMINATION OF MEMBERSHIP

- (1) A member shall cease to be a member when:
- (a) he/she is no longer eligible for membership or he/she is no longer eligible to remain a member for the purposes of Rule 17; or
 - (b) he/she is expelled; or
 - (c) he/she dies; or
 - (d) the period of the notice of intention to resign (unless previously withdrawn) has expired; or
 - (e) the Branch Executive accepts the resignation as effective on a date prior to the expiry of written notice; or
 - (f) being unfinancial and having failed to keep the Union informed of his/her place of residence, employer and place of employment as required by these rules and, the Secretary of the Branch in the area of which he/she was last known to reside having made proper attempts to do so is unable to contact him/her for a period of more than three months, the Branch Executive rules that his/her membership shall be determined.



6 August 2014

Mr Peter Hardcastle
Branch Secretary
Australian Education Union-Northern Territory Branch
secretary@aeunt.org.au

Dear Mr Hardcastle,

**Australian Education Union-Northern Territory Branch
Financial Report for the year ended 31 December 2013 - [FR2013/485]**

I acknowledge receipt of the financial report of the Australian Education Union - Northern Territory Branch. The documents were lodged with the Fair Work Commission on 17 June 2014.

As discussed, the financial report has not been filed. There are a number of concerns with the report which will require further information prior to the report being filed under a primary review.

I have attached a copy of the Model Accounts for the 2012/2013 financial year and will direct the organisation to the requisite sections to assist you with supplying this information.

Designated Officer's Certificate

A financial report must be accompanied by a designated officer's certificate. There was no certificate with the report that was lodged.

The designated officer's certificate allows the Commission to determine whether the reporting unit has complied with the mandatory timeframes. It contains the date the financial report was provided to members and the date it was presented to the second meeting (whether an AGM or a committee of management meeting if the rules allow). It must be signed by the Secretary or another officer authorised to sign the certificate under the rules.

The designated officer's certificate appears at page 5 of the Model Accounts. This page must be completed and sent to the Commission.

Date of the Resolution in the Committee of Management Statement

The Committee of Management Statement must inform the Commission of two dates: the date that it is signed (which is on the bottom of the statement filed) and the date of the resolution. This date does not appear on the Committee of Management Statement.

Please provide information on when the Committee of Management passed their resolution and please update your template statement to reflect this requirement. Alternatively, a template Committee of Management Statement appears at page 7 of the Model Accounts.

Operating Report

The financial report must include an operating report. It appears that this is the document located at pages 1 and 2 and called the 'Committee of Management Report'. However, not all of the

required information is present. A general list of headings and required information is available in the Model Accounts at page 6.

In addition to the information already in the report, the operating report must also contain:

1. The number of members of the branch;
2. The number of employees of the branch measured as a full-time equivalent figure;
3. A statement whether there were significant changes in the financial affairs of the branch;
4. Information on the right of members to resign, including an excerpt of the relevant rule or the number of the rule so that the members can find the information themselves;
5. The names of any officers or members who hold a position on a superannuation board *because* of their membership of the branch (if there are none, a statement that there are none);
6. The names of any officers or employees who are directors of a company or members of a board and:
 - a. The name of the company or board;
 - b. The principal activity of the company or board;
 - c. Whether the person holds the position *because* of their membership of the branch.

Please supply this information to the Commission in a supplementary Operating Report.

Expenses and Provisions for employees

The information on expenses for employees (including both holders of office and employees other than holders of office) is correctly divided between these two categories. However, the information is not further broken down into the segments required by the reporting guidelines. Additionally the provisions are not separated between holders of office and employees other than holders of office.

The required separation is outlined within the Model Accounts at notes 4A and 8A.

Please supply this information to the Commission.

Please note, that all of the information requested must be made available to the membership.

If you have any queries regarding this letter, please contact me on (03) 8661 7974 or via email at catherine.bebbington@fwc.gov.au.

Yours sincerely



CATHERINE BEBBINGTON
Regulatory Compliance Branch

FAIR WORK COMMISSION

Tel: 03 8661 7974

Fax: 03 9655 0410

catherine.bebbington@fwc.gov.au

11 Exhibition Street, Melbourne Victoria 3000

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Internet : www.fwc.gov.au

Australian Education Union NT Branch

Financial Statements

for

the year ended 31 December 2013

Australian Education Union NT Branch

ABN: 64 406 978 451

Financial Report For The Year Ended 31-December-2013

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AUSTRALIAN EDUCATION UNION NT BRANCH

ABN: 64 406 978 451

COMMITTEE OF MANAGEMENT REPORT

Your members present this report on the registered organisation for the financial year ended 31 December 2013.

Committee Members

The names of each person who has been a committee member during the year and to the date of this report are:

President – Matthew Cranitch (Union Official)

Secretary – Peter Clisby (Union Official)

Vice-President (General Division) – Rachel Helliwel until 21 January 2013

Stephen Pelizzo from 21 January 2013

Vice-President (TAFE) – Gerry McKeegan until 21 January 2013

Renzo Giuliani from 21 January 2013 till 17 June 2013

Wynton Nathan from 5 September 2013

Treasurer – Stephen Pelizzo until 21 January 2013

Julie Danvers from 16 April 2013

Women's Officer – election March 2013 , Melanie Baldwin from 16 April 2013

Indigenous Officer – election March 2013 , Cassandra Brown from 16 April 2013

Executive Councillor – Dean Parkin

Executive Councillor – Martin Griffin

Executive Councillor – Paula Thornton

Executive Councillor – Wayne McGillivray

Executive Councillor – Peter Hardcastle

Executive Councillor – Glynis Winslade

Executive Councillor – Liam Phillips

Executive Councillor – Judy Boland

Executive Councillor – Melanie Baldwin until 16 April 2013

Executive Councillor – Mike Bodnar from 15 March 2013

Executive Councillor – Kathryn Leo from 1 June 2013 till 27 July 2013

Sally Bryan from 1 September 2013

Executive Councillor – Nathaniel Smith from 22 March 2013

Executive Councillor – Julie Danvers until 16 April 2013

Principal Activities

The principal activities of the registered organisation during the financial year were: union activities for teachers in the Northern Territory.

Significant Changes

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

Operating Result

The profit/(loss) from ordinary activities after providing for income tax amounted to

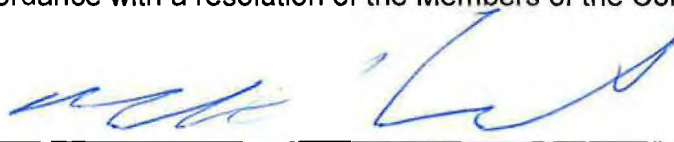
2013	2012
(\$277,674)	\$53,734

Auditor's independence Declaration

The auditor's independence declaration for the year ended 31 December 2013 has been received and can be found on page 3 of the financial report.

Signed in accordance with a resolution of the Members of the Committee.

President



Matthew Cranitch

Dated this

29th

day of April 2014.

AUSTRALIAN EDUCATION UNION N.T. BRANCH

Auditor's Independence Declaration To the members of Australian Education Union N.T. Branch

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2013 there have been:

- (i) no contraventions of the auditor independence requirements set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Barry Hansen
Registered Company Auditor

AUSTRALIAN EDUCATION UNION NT BRANCH

ABN: 64 406 978 451

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 \$	2012 \$
Revenue	2	1,182,788	1,211,763
Employee benefits expense (elected office-holders)	2(a)	(263,268)	(241,677)
Employee benefits expense(non-office-holders employees)		(372,601)	(328,213)
Depreciation and amortisation expense		(23,697)	(25,053)
Staff training and development expenses		(773)	(653)
Doubtful debts expense		(865)	(9,404)
Repairs, maintenance and vehicle running expenses		(16,402)	(11,664)
Fuel, Light and power expense		(8,557)	(5,239)
AEU expenses		(13,194)	(17,048)
Capitation fees		(75,212)	(59,052)
Committee expenses		(118,453)	(97,194)
Conference/seminar costs		(143,875)	(76,940)
Payroll tax		(40,230)	(27,271)
Specific projects expenses		(102,850)	(28,667)
Organiser expenses		(9,300)	(18,068)
Fringe Benefits tax		(5,613)	(7,502)
Affiliation fees		(7,400)	(8,053)
Insurance		(20,400)	(17,720)
Hire plant and equipment		(12,991)	(10,828)
Computer expenses		(48,759)	(29,723)
Telephone		(20,205)	(17,526)
Travel and accommodation		(7,088)	(14,756)
Audit fees	12	(7,134)	(7,900)
Legal Fees		(26,062)	(46,471)
Consultancy fees		(37,116)	(23,158)
Other expenses		(78,418)	(28,249)
Profit before income tax		(277,674)	53,734
Income tax expense	1(k)	-	-
Profit for the year		(277,674)	53,734
Profit attributable to members of the entity		(277,674)	53,734

The accompanying notes form part of these financial statements.

AUSTRALIAN EDUCATION UNION NT BRANCH
ABN: 64 406 978 451
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 \$	2012 \$
Profit for the year		(277,674)	53,734
Other comprehensive income:			
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>(277,674)</u>	<u>53,734</u>
Total comprehensive income attributable to members of the entity		<u>(277,674)</u>	<u>53,734</u>

The accompanying notes form part of these financial statements.

AUSTRALIAN EDUCATION UNION NT BRANCH
ABN: 64 406 978 451
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

	Note	2013 \$	2012 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	1,110,689	1,402,431
Accounts receivable and other debtors	4	<u>515</u>	<u>1,005</u>
TOTAL CURRENT ASSETS		<u>1,111,203</u>	<u>1,403,436</u>
NON-CURRENT ASSETS			
Financial assets	5	10	10
Property, plant and equipment	6	<u>388,062</u>	<u>383,613</u>
TOTAL NON-CURRENT ASSETS		<u>388,072</u>	<u>383,623</u>
TOTAL ASSETS		<u>1,499,275</u>	<u>1,787,059</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	7	96,486	108,314
Provision for employee benefits	8	<u>44,573</u>	<u>54,950</u>
TOTAL CURRENT LIABILITIES		<u>141,059</u>	<u>163,264</u>
NON-CURRENT LIABILITIES			
Provision for employee benefits	8	<u>26,347</u>	<u>15,117</u>
TOTAL NON-CURRENT LIABILITIES		<u>26,347</u>	<u>15,117</u>
TOTAL LIABILITIES		<u>167,406</u>	<u>178,381</u>
NET ASSETS		<u>1,331,868</u>	<u>1,608,678</u>
EQUITY			
Retained surplus		<u>1,331,868</u>	<u>1,608,678</u>
TOTAL EQUITY		<u>1,331,868</u>	<u>1,608,678</u>

The accompanying notes form part of these financial statements.

AUSTRALIAN EDUCATION UNION NT BRANCH
ABN: 64 406 978 451
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	Retained Surplus \$	Revaluation Surplus \$	Financial Assets Reserve \$	Total \$
Balance at 1 January 2012		1,522,559			1,522,559
Comprehensive Income					
Surplus for the year attributable to members of the entity		81,724			81,724
Total comprehensive income attributable to members of the entity		81,724	-	-	81,724
Balance at 31 December 2012		1,604,283	-	-	1,604,283
Comprehensive Income					
Opening balance adjustment		5,259			5,259
Surplus for the year attributable to members of the entity		(277,674)			(277,674)
Total comprehensive income attributable to members of the entity		(272,415)	-	-	(272,415)
Balance at 31 December 2013		1,331,868	-	-	1,331,868

The accompanying notes form part of these financial statements.

AUSTRALIAN EDUCATION UNION NT BRANCH
ABN: 64 406 978 451
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 \$	2012 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipt of grants and other income		1,254,375	1,278,638
Payments to suppliers and employees		(1,560,864)	(1,156,552)
Interest received		<u>42,893</u>	<u>53,436</u>
Net cash generated from operating activities	9	<u>(263,596)</u>	<u>175,522</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		<u>(28,146)</u>	<u>(15,770)</u>
Net cash used in investing activities		<u>(28,146)</u>	<u>(15,770)</u>
Net increase/(decrease) in cash held		(291,742)	159,752
Cash and cash equivalents at the beginning of the financial year		<u>1,402,431</u>	<u>1,242,679</u>
Cash and cash equivalents at the end of the financial year	3	<u><u>1,110,689</u></u>	<u><u>1,402,431</u></u>

The accompanying notes form part of these financial statements.

AUSTRALIAN EDUCATION UNION NT BRANCH
ABN: 64 406 978 451
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the requirements of the Fair Work (Registered Organisations) Act 2009.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

(a) Revenue

Australian Education Union NT Branch receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of comprehensive income.

Donations and bequests are recognised as revenue when received.

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

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

All revenue is stated net of the amount of goods and services tax (GST).

(b) Inventories on hand

Inventories are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost or for nominal consideration are measured at the current replacement cost as at the date of acquisition.

(c) Property, Plant and Equipment

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

Freehold Property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

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

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

As the revalued buildings are depreciated, the difference between depreciation recognised in the statement of comprehensive income, which is based on the revalued carrying amount of the asset, and the depreciation based on the asset's original cost, is transferred from the revaluation surplus to retained earnings.

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

Freehold land and buildings that have been contributed at no cost or for nominal cost are initially recognised and measured at the fair value of the asset at the date it is acquired.

AUSTRALIAN EDUCATION UNION NT BRANCH

ABN: 64 406 978 451

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost are recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Plant and equipment	15-40%
Motor Vehicles	15-20%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(d) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the entity, are classified as finance leases.

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

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

(e) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the registered organisation commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

AUSTRALIAN EDUCATION UNION NT BRANCH

ABN: 64 406 978 451

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the registered organisation's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) Available-for-sale financial assets

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the registered organisation assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a 'loss event') has occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, indications that they will enter bankruptcy or other financial reorganisation and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the writing off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the registered organisation recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

AUSTRALIAN EDUCATION UNION NT BRANCH

ABN: 64 406 978 451

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(f) Impairment of Assets

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

Where it is not possible to estimate the recoverable amount of an individual asset, the registered organisation estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(g) Employee Benefits

Provision is made for the registered organisation's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows attributable to employee benefits.

Contributions are made by the registered organisation to an employee superannuation fund and are charged as expenses when incurred.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(i) Accounts receivable and other debtors

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

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

(j) Goods and Services Tax (GST)

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

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

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

(k) Income Tax

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

(l) Intangibles

Software

Software is initially recognised at cost. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between 2 and 4 years. It is assessed annually for impairment.

(m) Provisions

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

AUSTRALIAN EDUCATION UNION NT BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(n) Comparative Figures

Where required by Accounting Standards or change in accounting policy comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(o) Accounts Payable and Other Payables

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

(p) Critical Accounting Estimates and Judgments

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

(q) Information to be provided to Members or Registrar

- 1 A member of a reporting unit, or a Registrar, 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

Note 2 Revenue and Other Income

	Note	2013	2012
		\$	\$
— Conference Income		3,073	2,818
— Membership fees		1,130,566	1,127,168
— Rebates and refunds		5,119	2,029
— Body Corporate Income		1,138	3,399
— DET Relief Teacher Funding		-	22,913
		<u>1,139,896</u>	<u>1,158,327</u>
Other revenue			
— interest received		<u>42,893</u>	<u>53,436</u>
		<u>42,893</u>	<u>53,436</u>
Total revenue		<u>1,182,788</u>	<u>1,211,763</u>
Total revenue and other income		<u><u>1,182,788</u></u>	<u><u>1,211,763</u></u>

Note 2(a) Employee Benefits Expense (Elected Office-Holders)

There were 2 elected office-holders during the year

Their remuneration as disclosed on page 3 comprises of the following components

— Salaries	241,491	221,722
— Superannuation	21,777	19,955
Total Employee Benefits expense (Elected office-holders)	<u>263,268</u>	<u>241,677</u>

Note 3 Cash and Cash Equivalents

CURRENT

Cash at bank - unrestricted	1,110,393	1,402,431
Cash float	296	-
Total cash and cash equivalents as stated in the statement of financial position	<u>1,110,689</u>	<u>1,402,431</u>
Total cash and cash equivalents as stated in the cash flow statement	<u>1,110,689</u>	<u>1,402,431</u>

Note 4 Accounts Receivable and Other Debtors

CURRENT

Accounts receivable	1,315	1,005
Provision for doubtful debts	(800)	-
	<u>515</u>	<u>1,005</u>
Total current accounts and other receivables	<u>10</u>	<u>1,005</u>

AUSTRALIAN EDUCATION UNION NT BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

Note 5 Financial Assets

	Note	2013 \$	2012 \$
NON-CURRENT			
— Investments in shares		10	10
		<u>10</u>	<u>10</u>

Note 6 Property, Plant and Equipment

LAND AND BUILDINGS

Buildings at fair value:

— Directors valuation

Total buildings

Total land and buildings

320,389	320,389
<u>320,389</u>	<u>320,389</u>
<u>320,389</u>	<u>320,389</u>

PLANT AND EQUIPMENT

Plant and equipment

At cost

Less accumulated depreciation

123,037	94,891
<u>(86,227)</u>	<u>(77,420)</u>
<u>36,810</u>	<u>17,471</u>

Motor vehicles

At cost

(Accumulated depreciation)

119,584	119,584
<u>(88,721)</u>	<u>(73,831)</u>
<u>30,863</u>	<u>45,753</u>

Total plant and equipment

<u>67,673</u>	<u>63,224</u>
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Total property, plant and equipment

<u>388,062</u>	<u>383,613</u>
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Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land and Buildings \$	Motor Vehicles \$	Plant and Equipment \$	Total \$
2012				
Balance at the beginning of the year	320,389	63,531	8,976	392,896
Additions at cost	-		15,770	15,770
Depreciation expense	-	(17,778)	(7,275)	(25,053)
Carrying amount at end of year	<u>320,389</u>	<u>45,753</u>	<u>17,471</u>	<u>383,613</u>
2013				
Balance at the beginning of the year	320,389	45,753	17,471	383,613
Additions at cost			28,146	28,146
Depreciation expense		(14,890)	(8,807)	(23,697)
Carrying amount at end of year	<u>320,389</u>	<u>30,863</u>	<u>36,810</u>	<u>388,062</u>

Note 7 Accounts Payable and Other Payables

	Note	2013 \$	2012 \$
CURRENT			
Accounts payable		39,917	15,449
Accrued wages		15,407	-
Other current payables		8,470	26,377
GST payable		6,584	8,496
Amounts held from salary and wages		26,108	57,992
	7(a)	<u>96,486</u>	<u>108,314</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

		2013 \$	2012 \$
(a) Financial liabilities at amortised cost classified as trade and other payables			
Accounts payable and other payables			
— Total current		96,486	108,314
		96,486	108,314
Less deferred income			
Less annual leave entitlements			
Financial liabilities as accounts payable and other payable:	10	96,486	108,314

Note 8 Provisions

CURRENT

Short-term Employee Benefits

Opening balance at 1 January 2013	44,752	38,045
Additional provisions raised during year	-	6,707
Balance at 31 December 2012	44,573	44,752

NON-CURRENT

Long-term Employee Benefits

Opening balance at 1 January 2013	13,859	38,323
Additional provisions raised during year	12,488	-
Amounts used	-	(24,464)
Balance at 31 December 2012	26,347	13,859

Analysis of Total Provisions

Current	44,573	54,950
Non-current	26,347	15,117
	70,920	70,067

Provision for Non-current Employee Benefits

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1 of financial statements.

AUSTRALIAN EDUCATION UNION NT BRANCH
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

Note 9 Cash Flow Information

Reconciliation of Cashflow from Operations with Profit after Income Tax	2013	2012
	\$	\$
Profit after income tax	(277,674)	53,734
Non cash flows		
Depreciation and amortisation expense	23,697	25,053
Profit on sale of property, plant and equipment	-	7,273
Doubtful debts expense	865	9,404
Changes in assets and liabilities		
(Increase)/decrease in accounts receivable and other debtors	490	2,733
Increase/(decrease) in accounts payable and other payables	(11,828)	(21,612)
Increase/(Decrease) in provisions for employee benefits	854	(45,945)
Increase in other provisions	-	50,620
	(263,596)	81,260

Note 10 Financial Risk Management

The registered organisation's financial statements consist mainly of deposits with banks, local money market instruments, short-term investments and long-term investments, receivables and payables, and lease liabilities.

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

	Note		
Financial Assets			
Cash and cash equivalents	3	1,110,689	1,402,431
Accounts receivable and other debtors	4	515	1,005
— investments in Australian listed shares, available for sale	5	10	10
Total Financial Assets		1,111,213	1,403,446
Financial Liabilities			
Financial liabilities at amortised cost			
— Accounts payable and other payables	7(a)	96,486	108,314
Total Financial Liabilities		96,486	108,314

Financial Risk Management Policies

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

Specific Financial Risk Exposures and Management

The main risks the registered organisation is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk. There have been no substantive changes in the types of risks the registered organisation is exposed to, how these risks arise, or the Committee's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Credit risk

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

Credit Risk Exposures

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

Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 4.

AUSTRALIAN EDUCATION UNION NT BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

Fair value estimation

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

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

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

Footnote	2013		2012	
	Carrying Value \$	Fair Value \$	Carrying Value \$	Fair Value \$
Financial assets				
Cash and cash equivalents	(i)	1,110,689	1,402,431	1,242,679
Accounts receivable and other debtors	(i)	515	1,005	218
— listed investments available for sale	(ii)	10	10	10
Total financial assets		1,111,213	1,403,446	1,242,907
Financial liabilities				
Accounts payable and other payables	(i)	96,486	108,314	36,876
Total financial liabilities		96,486	108,314	36,876

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

- Cash and cash equivalents, accounts receivable and other debtors and accounts payable and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables excludes amounts relating to the provision of annual leave which is outside the scope of AASB 139.
- For listed available-for-sale and held-for-trading financial assets, closing quoted bid prices at the end of the reporting period are used. In determining the fair values of the unlisted available-for-sale financial assets, the directors have used inputs that are observable either directly (as prices) or indirectly (derived from prices).

Note 11 Reserves

(a.) Revaluation Surplus

The revaluation surplus records the revaluations of non-current assets. Where revaluations are deemed to represent profits of a permanent nature, dividends may be declared from this surplus.

(b.) Financial Assets Reserve

The financial asset reserve records revaluation increments and decrements (that do not represent impairment write-downs) that relate to financial assets that are classified as available-for-sale.

Note 12 Auditor's Fees

	2013 \$	2012 \$
— Fees to the auditor for the audit of financial statements	7,134	7,900
Total Auditor's Fees	7,134	7,900

Note 13 Entity Details

The registered office of the entity is:

Australian Education Union NT Branch
PO Box 41863
Nightcliff
NT 0811

AUSTRALIAN EDUCATION UNION NT BRANCH
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COMMITTEE OF MANAGEMENT STATEMENT

In accordance with a resolution of the members of Australian Education Union NT Branch, the members declare that:

1. The financial statements and notes, as set out on pages 4 to 18, are in accordance with the Fair Work (Registered Organisations) Act 2009 and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 31 December 2013 and of the performance for the year ended on that date of the registered organisation.
 - (c) comply with reporting guidelines of the General Manager.
2. In the members' opinion there are reasonable grounds to believe that the association will be able to pay its debts as and when they become due and payable.
3. In the members' opinion the financial records of the Australian Education Union NT Branch have been kept, as far as practicable, in a consistent manner to each of the other branches of the Australian Education Union around the country.
4. during the financial year to which the general purpose financial 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 the branch concerned; and
 - (iii) the financial affairs of the reporting unit have been managed in accordance with RO Act; and
 - (iv) information have been furnished to any member of the reporting unit or to the General Manager, as the case may be, where information sought by the member of the General Manager was duly made under section 272 of the RO Act; and
 - (v) there has been compliance with any order of inspection of financial records made by the Fair Work Commission under section 273 of the RO Act.
5. The reporting unit has not engaged in recovery of wages activity which has resulted in the derivation of revenue in respect of such activity.

President



Matthew Cranitch

Dated this

9th

day of

April

2014

AUSTRALIAN EDUCATION UNION NT BRANCH

Independent audit report

To the members of Australian Education Union NT Branch

Scope

The financial report and the Branch's responsibility

The financial report is a general purpose report comprising the Committee's Report, Statement by Members of the Management Committee, Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and accompanying Notes to the Financial Statements for the Australian Education Union NT Branch ("the Branch") for the year ended 31 December 2013.

The Branch is responsible for preparing a financial report that presents fairly the financial position and performance of the Branch and that complies with Accounting Standards and other mandatory financial reporting requirement in Australia and relevant provisions of the Fair Work (Registered Organisations) Act 2009. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

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

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia and relevant provisions of the Fair Work (Registered Organisations) Act 2009, a view which is consistent with our understanding of the Branch and its financial position, and of its performance as represented by the results of its operations and cash flows.

AUSTRALIAN EDUCATION UNION NT BRANCH

Independent audit report to the members of the Australian Education Union NT Branch (con't)

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

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial reports; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the committee.

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

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial report. These and our other procedures did not include consideration or judgment of the appropriateness or reasonableness of the business plans or strategies adopted by the Branch or management.

Independence

We are independent of the Branch, and have met the independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In our opinion the general purpose financial report of the Australian Education Union NT Branch for the year ended 31 December 2013 is presented fairly, in accordance with applicable Australian Accounting Standards and the requirements imposed by the Fair Work (Registered Organisations) Act 2009.



Barry Hansen
Registered Company Auditor
Darwin

Date: 29 April 2014