

# AEU

**Australian Education Union**

## South Australian Branch

163 Greenhill Road, Parkside, SA 5063. Phone (08) 8272 1399. Fax (08) 8373 1254

aeusa@aeusa.asn.au

Your reference:  
Our reference: JAM:JD:ATU2

Branch President: John Gregory    Branch Secretary: Jack Major

25 June 2003

Deputy Industrial Registrar  
Australian Industrial Registry  
Level 8, Riverside Centre  
North Terrace  
ADELAIDE 5000



Attention: Mr Peter Kinne

Dear Mr Kinne

**Re: Australian Education Union (SA Branch) - Accounts**

I certify that the attached copies of the Summary of Accounts, Auditor's Report, Accounts and Statements of the Australian Education Union (SA Branch) for the financial year 1 January 2002 to 31 December 2002, are copies of the documents that were so presented to the Australian Education Union (SA Branch) Committee of Management meeting held on 23 June 2003.

These accounts and auditors reports have been published in the AEU Journal published on 4 June 2003, copies of which are provided free of charge to all members of the AEU (SA Branch).

Yours sincerely



JACK MAJOR  
Branch Secretary

Encl.



**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2002**

	Note	2002 \$	2001 \$
Revenues from ordinary activities	2	4,995,565	4,936,916
Expenses from ordinary activities			
Governance		458,774	459,751
Administration & Personnel		1,163,783	1,180,233
Operations		2,208,104	2,218,608
Other Member Operations		749,514	711,857
Property		324,393	321,257
	2	4,904,568	4,891,706
Net Profit from ordinary activities	10	90,997	45,210
Total change in equity of the Union		90,997	45,210

The attached notes are to be read in conjunction with these financial statements.

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2002**

	Notes	2002 \$	2001 \$
<b>CURRENT ASSETS</b>			
Cash assets	3	72,727	11,788
Receivables	4	96,312	80,253
Other	5	51,935	70,300
Other Financial Assets	6	4,733,957	4,508,150
<b>Total Current Assets</b>		4,954,931	4,670,491
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	7	2,702,203	2,836,508
Other Financial Assets	6	2	2
<b>Total Non-Current Assets</b>		2,702,205	2,836,510
<b>TOTAL ASSETS</b>		7,657,136	7,507,001
<b>CURRENT LIABILITIES</b>			
Payables	8	425,729	439,629
Provisions	9	719,105	692,826
<b>Total Current Liabilities</b>		1,144,834	1,132,455
<b>NON CURRENT LIABILITIES</b>			
Provisions	9	71,895	25,136
<b>Total Non Current Liabilities</b>		71,895	25,136
<b>TOTAL LIABILITIES</b>		1,216,729	1,157,591
<b>NET ASSETS</b>		6,440,407	6,349,410
<b>EQUITY</b>			
Retained Profits	10	6,440,407	6,349,410
<b>TOTAL EQUITY</b>		6,440,407	6,349,410

The attached notes are to be read in conjunction with these financial statements.

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31ST DECEMBER 2002**

	Note	2002 \$	2001 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Subscriptions		5,094,098	5,001,285
Journal Subscriptions & Advertising		48,762	52,319
Payments to Suppliers and Employees		(4,857,387)	(4,758,499)
Rent & Room Hire		54,130	44,674
Interest Received		234,421	259,118
Other Income		55,216	77,639
Net GST Payable		(297,864)	(293,150)
<b>Net Cash Provided by Operating Activities</b>	11	331,376	383,386
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for Property, Plant and Equipment		(95,766)	(183,367)
Proceeds From Sale of Equipment		51,136	25,361
Redemptions from/(Deposits to) Investments		(230,962)	(348,545)
Staff/Member Loans Issued		(4,997)	(13,999)
Payments Received on Staff/Member Loans		10,152	13,299
Payments received on AEU (NT Branch) loan		-	50,167
<b>Net Cash Provided by/(Used in) Investing Activities</b>		(270,437)	(457,084)
Net Increase/(Decrease) in Cash Held		60,939	(73,698)
Cash at the Beginning of the Reporting Period		11,788	85,486
<b>Cash at the End of the Reporting Period</b>	11	72,727	11,788

The attached notes are to be read in conjunction with these financial statements.

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2002**

**Note 1      Accounting policies**

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Workplace Relations Act 1996. The financial statements have been prepared on the basis of historical costs. The accounting policies have been consistently applied unless otherwise stated.

The financial report covers Australian Education Union (South Australian Branch) which is a branch of a registered union under the Workplace Relations Act 1996 in Australia.

The following is a summary of the significant accounting policies adopted by the organisation in the preparation of the financial statements.

**(a)      Investments**

Investments are brought to account at cost.

**(b)      Property, Plant and Equipment**

Property, plant and equipment transferred from South Australian Institute of Teachers have been recorded at their net written down value as at 31<sup>st</sup> December 1996. Property, plant and equipment acquired since 1<sup>st</sup> January 1997, are brought to account at cost or at independent valuation, less, where applicable, any accumulated depreciation. The carrying amount of all property, plant and equipment is reviewed annually to ensure it is not in excess of the remaining service potential of these assets.

The depreciable amount of all fixed assets is depreciated over their useful life using the straight line and diminishing value methods.

The depreciation rates used for each class of asset are as follows:

Buildings	2.5%
Plant and Equipment	15% - 50%
Furniture & fittings	10% - 50%
Motor Vehicles	15% - 30%

The gain or loss on disposal of all fixed assets is determined as the difference between the carrying amount of the asset at the time of the disposal and the proceeds of disposal, and is included in income in the year of disposal.

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2002 (CONT.)**

**Note 1          Accounting policies (cont.)**

**(c)      Employee Benefits**

Provision is made for the organisation's liability for employee entitlements arising from services rendered by employees to balance date. The provision recognises the Employees previous service with the South Australian Institute of Teachers. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Provision for Long Service Leave for employees with more than seven years service has been disclosed as a current liability and the balance as non-current.

**(d)      Creditors and Accrued Expenses**

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Branch as at 31 December 2002. Trade accounts are normally settled within 30 days.

**(e)      Subscriptions in advance**

Subscriptions received are recognised as revenue in the period to which the subscriptions relate.

**(f)      Trade and Sundry Debtors**

Trade and sundry debtors are normally settled within 30 days and are carried at amounts due. The collectibility of debts is assessed at balance date and specific provision is made for any doubtful debts.

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2002 (CONT.)**

Note 2	Net Profit from ordinary activities	2002	2001
		\$	\$
	<b>The Net Profit from ordinary activities include the following items of Revenue and Expense.</b>		
	<b>REVENUES</b>		
	<b>Ordinary activities</b>		
	Subscriptions	4,617,566	4,527,019
	Interest	242,535	248,068
	Rent	40,521	35,356
	Room Hire	5,108	5,946
	(Loss)/Profit on sale of Plant & Equipment	(189)	3,541
	Other Income	23,449	16,567
	Legal Settlements	22,435	51,243
	Journal subscriptions	701	762
	Journal Advertising	43,439	48,414
	<b>TOTAL REVENUE</b>	<u>4,995,565</u>	<u>4,936,916</u>
	<b>EXPENSES</b>		
	<b>Ordinary activities</b>		
	<b>GOVERNANCE</b>		
	Branch, Area & Divisional Council Meetings	62,081	67,236
	Sub-branch Administration Grants	6,454	8,247
	Committee Expenses & Communication to Members	19,052	20,651
	Executive Expenses	32,725	30,559
	Entertainment & Travel	11,804	12,680
	Executive Allowances	3,625	4,099
	Salaries to Elected Officers	323,033	316,279
	<b>TOTAL GOVERNANCE</b>	<u>458,774</u>	<u>459,751</u>

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2002 (CONT.)**

Note 2	Net Profit from ordinary activities (cont.)	2002 \$	2001 \$
	<b>ADMINISTRATION &amp; PERSONNEL</b>		
	Accountancy & Audit	10,500	9,200
	Bank Fees	46,629	46,997
	Doubtful debts	(45)	1,240
	Entertainment & Travel	1,322	2,780
	Fringe Benefits Tax	2,964	6,161
	Insurance	3,953	3,156
	Internet Access & Website	11,465	11,156
	Legal Fees	1,154	23,860
	Machine Maintenance	14,025	9,131
	Payroll Tax	130,262	125,570
	Postage	10,838	9,578
	Printing & Stationery	30,801	22,317
	Provision for Annual Leave	(14,274)	12,015
	Provision for Long Service Leave	87,312	90,360
	Recruitment & Training	22,594	16,107
	Salaries	348,812	336,999
	Seconded Staff On-costs	51,509	80,436
	Computer Expenses	25,625	28,267
	Sundry Expenses	3,482	1,706
	Superannuation	253,216	233,056
	Telephone & Fax	60,771	64,314
	Workcover	60,868	45,827
	<b>TOTAL ADMINISTRATION &amp; PERSONNEL</b>	<b>1,163,783</b>	<b>1,180,233</b>
	<b>OPERATIONS</b>		
	Campaign & Publicity:		
	Advertising & Other Campaign Expenses	150,956	216,788
	Media Consultancy & Monitoring	20,281	25,094
		171,237	241,882
	Membership Records:		
	Stationery/Resources	3,875	5,956
	Postage	15,930	15,542
	Salaries	91,875	89,940
		111,680	111,438



**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2002 (CONT.)**

Note 2	Net Profit from ordinary activities (cont.)	2002	2001
		\$	\$
	<b>OPERATIONS (Cont.)</b>		
	Resource Centre:		
	Purchases	26,814	26,896
	Salaries	122,597	113,987
		<u>149,411</u>	<u>140,883</u>
	Organisers:		
	Regional Office Expenses	24,996	36,914
	Motor Vehicle Expenses	50,585	54,304
	Depreciation - Motor Vehicles	49,579	50,244
	Salaries	958,787	890,557
	Travel & Sundry Expenses	41,311	50,502
		<u>1,125,258</u>	<u>1,082,521</u>
	Industrial:		
	Legal Expenses	20,908	16,945
	Salaries	245,920	221,782
	Travel & Sundry Expenses	8,711	7,355
		<u>275,539</u>	<u>246,082</u>
	Journal:		
	Printing	67,114	70,507
	Delivery	45,907	51,037
	Travel & Accommodation	235	469
	Salaries	176,403	179,552
		<u>289,659</u>	<u>301,565</u>
	Women's Officer:		
	Operating Expenses	21,391	33,510
	Salaries	63,929	60,727
		<u>85,320</u>	<u>94,237</u>
	<b>TOTAL OPERATIONS</b>	<u>2,208,104</u>	<u>2,218,608</u>

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2002 (CONT.)**

Note 2	Net Profit from ordinary activities (cont.)	2002	2001
		\$	\$
	<b>OTHER MEMBER OPERATIONS</b>		
	Legal Defence	64,667	100,087
	Union Development	154,049	85,199
	Member Professional Development	64,939	68,162
	International Support	36,713	34,000
	A.E.U. Affiliation	284,053	284,836
	Other Affiliations	46,988	45,851
	National Committees & Conferences	7,506	9,698
	Salaries	90,599	84,024
	<b>TOTAL OTHER MEMBER OPERATIONS</b>	<u>749,514</u>	<u>711,857</u>
	<b>PROPERTY</b>		
	Repairs & Maintenance	28,694	37,151
	Rates & Taxes	43,729	41,790
	Electricity	32,050	32,567
	Cleaning	30,403	31,428
	Insurance	11,951	10,380
	Sundry Property Expenses	13,349	12,228
	Depreciation		
	- Furniture & Fittings	9,158	10,866
	- Plant & Equipment	51,384	42,528
	- Buildings	68,625	68,625
	Salaries	35,050	33,694
	<b>TOTAL PROPERTY</b>	<u>324,393</u>	<u>321,257</u>
	<b>TOTAL EXPENSES</b>	<u><u>4,904,568</u></u>	<u><u>4,891,706</u></u>

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2002(CONT.)**

<b>Note 3</b>	<b>Cash assets</b>	<b>2002</b>	<b>2001</b>
		<b>\$</b>	<b>\$</b>
	Petty Cash	500	500
	Cash at Bank	72,227	11,288
		<u>72,727</u>	<u>11,788</u>
		<u><u>72,727</u></u>	<u><u>11,788</u></u>
<b>Note 4</b>	<b>Receivables</b>		
	Trade Debtors	14,180	6,048
	Provision for Doubtful Debts	(100)	(1,430)
		<u>14,080</u>	<u>4,618</u>
	Sundry Debtors	82,232	75,635
		<u>96,312</u>	<u>80,253</u>
		<u><u>96,312</u></u>	<u><u>80,253</u></u>
<b>Note 5</b>	<b>Other</b>		
	Prepayments	51,935	70,300
		<u>51,935</u>	<u>70,300</u>
		<u><u>51,935</u></u>	<u><u>70,300</u></u>
<b>Note 6</b>	<b>Other Financial Assets</b>		
	<b>Investments - Current</b>		
	Satisfac Deposits	2,420,839	2,281,461
	Bank SA:		
	Short Term Money Market	299,808	249,808
	Bank Bills	2,006,763	1,965,179
	Staff Computer Loans	4,868	9,757
	Member Emergency Relief Loans	1,679	1,945
		<u>4,733,957</u>	<u>4,508,150</u>
		<u><u>4,733,957</u></u>	<u><u>4,508,150</u></u>
	 <b>Investments - Non-current</b>		
	Satisfac Credit Union Share		
	- at cost	2	2
		<u>2</u>	<u>2</u>
		<u><u>2</u></u>	<u><u>2</u></u>

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**NOTES TO AND FORMING OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2002(CONT.)**

	<b>2002</b>	<b>2001</b>
	<b>\$</b>	<b>\$</b>
<b>Note 7      Property, Plant &amp; Equipment</b>		
Land and Buildings		
Greenhill Road -- at cost	2,525,000	2,525,000
Accumulated Depreciation	(378,750)	(315,625)
	<u>2,146,250</u>	<u>2,209,375</u>
Porter Street -- at cost	220,000	220,000
Accumulated Depreciation	(33,000)	(27,500)
	<u>187,000</u>	<u>192,500</u>
Works of Art -- at cost	36,300	36,300
	<u>36,300</u>	<u>36,300</u>
Plant & Equipment - at cost	421,793	425,928
Accumulated Depreciation	(292,114)	(257,192)
	<u>129,679</u>	<u>168,736</u>
Furniture and Fittings - at cost	119,437	116,520
Accumulated Depreciation	(98,420)	(89,262)
	<u>21,017</u>	<u>27,258</u>
Motor Vehicles - at cost	277,943	333,491
Accumulated Depreciation	(95,986)	(131,152)
	<u>181,957</u>	<u>202,339</u>
<b>Total property, plant &amp; equipment</b>	<u><u>2,702,203</u></u>	<u><u>2,836,508</u></u>

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**NOTES TO AND FORMING OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2002(CONT.)**

**Note 7 Property, Plant & Equipment (cont.)**

	<u>2002</u>						
	G/Hill Rd	Porter St	Work of Art	Plant & Equipment	Furniture & Fittings	Motor Vehicles	Total
Opening WDV	2,209,375	192,500	36,300	168,736	27,258	202,339	2,836,508
Additions – cost	-	-	-	12,443	2,917	80,405	95,765
Disposals	-	-	-	(116)	-	(51,208)	(51,324)
Depreciation	(63,125)	(5,500)	-	(51,384)	(9,158)	(49,579)	(178,746)
Closing WDV	<u>2,146,250</u>	<u>187,000</u>	<u>36,300</u>	<u>129,679</u>	<u>21,017</u>	<u>181,957</u>	<u>2,702,203</u>

	<u>2001</u>						
	G/Hill Rd	Porter St	Work of Art	Plant & Equipment	Furniture & Fittings	Motor Vehicles	Total
Opening WDV	2,272,500	198,000	36,300	91,279	37,418	211,739	2,847,236
Additions – cost	-	-	-	123,725	706	58,925	183,356
Disposals	-	-	-	(3,740)	-	(18,081)	(21,821)
Depreciation	(63,125)	(5,500)	-	(42,528)	(10,866)	(50,244)	(172,263)
Closing WDV	<u>2,209,375</u>	<u>192,500</u>	<u>36,300</u>	<u>168,736</u>	<u>27,258</u>	<u>202,339</u>	<u>2,836,508</u>

**Note 8 Payables**

	<u>2002</u>	<u>2001</u>
	\$	\$
Accrued Expenses	230,002	256,295
Subscriptions in advance	195,727	183,334
	<u>425,729</u>	<u>439,629</u>

**Note 9 Provisions**

**Current**

Provision for Annual Leave	233,825	248,099
Provision for Long Service Leave	435,280	394,727
Provision for Sick Leave	50,000	50,000
	<u>719,105</u>	<u>692,826</u>

**Non Current**

Provision for Long Service Leave	<u>71,895</u>	<u>25,136</u>
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**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**NOTES TO AND FORMING OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2002(CONT.)**

	<b>2002</b>	<b>2001</b>
	<b>\$</b>	<b>\$</b>
<b>Note 10      Retained Profits</b>		
Balance at the beginning of the financial year	6,349,410	6,304,200
Net Profit from ordinary activities	90,997	45,210
	<hr/>	<hr/>
Balance at the end of the financial year	<u>6,440,407</u>	<u>6,349,410</u>

**Note 11      Cash Flows**

**a)      Reconciliation of Net Profit from ordinary activities to Net Cash Provided by Operating Activities**

Net Profit from ordinary activities	90,997	45,210
Depreciation:		
- Motor Vehicles	49,579	50,244
- Furniture & Fittings	9,158	10,866
- Plant & Equipment	51,384	42,528
- Buildings	68,625	68,625
Loss/(Gain) on Sale of Equipment	189	(3,541)
Change in Assets and Liabilities:		
(Increase) in Trade Debtors	(8,132)	(2,431)
(Decrease)/Increase in Provision for Doubtful Debts	(1,330)	1,320
(Increase)/Decrease in Sundry Debtors	(6,597)	10,187
Decrease in Prepayments	18,365	32,828
(Decrease)/Increase in Payables	(13,900)	25,175
(Decrease)/Increase in Provision for Annual Leave	(14,274)	12,015
Increase in Provision for Long Service Leave	87,312	90,360
	<hr/>	<hr/>
<b>Net Cash Provided by Operating Activities</b>	<u>331,376</u>	<u>383,386</u>

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2002 (CONT.)**

	2002	2001
	\$	\$
<b>Note 11</b>		
<b>Cash Flows (cont.)</b>		
<b>b) Reconciliation of Cash</b>		
For the purpose of the statement of cash flows, cash includes cash on hand and in banks. Cash at the end of the reporting period as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash on hand	500	500
Cash at bank	72,227	11,288
	<u>72,727</u>	<u>11,788</u>

**c) Credit Stand-by Arrangements and Loan Facility**

The Union has no credit stand-by arrangements or loan facilities in place.

**d) Non-Cash Financing and Investments Activities**

There were no non-cash financing and investing activities during the year.

**Note 12 Auditor's Remuneration**

Amounts received or due and receivable  
by auditors for:

- auditing	10,500	9,200
- other services	-	-
	<u>10,500</u>	<u>9,200</u>

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2002 (CONT.)**

**Note 13      Related Party Transactions**

Transactions between related parties are on normal commercial terms and conditions unless otherwise stated.

The names of Executive members who have held office during the year are:

John Gregory	Chris Waugh
Dan Farmer	Jack Major
Jackie Bone-George	Nick Cava
Pat Cavanagh	Ken Drury
Nola Foster	Janet Giles
Bronwen Goodman	Correna Haythorpe
Samantha Lisle	Henrietta Mannik
Fay Nightingale	Clare McCarty
Helen O'Connor	Keith Parkinson
Roger Parry	Gail Shepherdson
David Smith	David Tonkin
Peter Tretheway	

The aggregate amount of remuneration directly or indirectly received or receivable for the year ended 31st December 2002, whether as an Executive member or otherwise, from the reporting entity in connection with the management of the reporting entity, was \$325,201 (2001 \$318,499). The aggregate amounts paid during the year ended 31st December 2002 to a superannuation plan or other entity by the reporting entity in connection with the retirement of Executive members of the reporting entity was \$49,033 (2001 \$41,884).

The aggregate amount of all loans in existence at the reporting date that have been made by the reporting entity to an Executive member is \$191 (2001 \$1,691). The aggregate amount of loans made during the reporting period was \$nil (2001 \$2,556) and the aggregate amount of repayments received during the reporting period was \$1,500 (2001 \$865). The Executive member concerned was John Gregory. The terms and conditions of this loan are consistent with loans available to all staff of the Union. The loans are made with the Unions normal trading terms.

**Note 14      Segment information**

The Union operates as a trade union in the Education industry within South Australia. The principal place of business is 163 Greenhill Road, Parkside, South Australia. The number of full time equivalent employees as at reporting date is 39.3.



**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2002 (CONT.)**

**Note 15 Financial Instruments Disclosure**

(a) Interest rate risk

The Australian Education Union (SA Branch) exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below:

	<u>2002</u>				Total
	Floating Interest rate	1 year or less	Fixed interest Maturing in 1 to 2 years	Non interest bearing	
<b>Financial assets</b>					
Cash on hand and in banks	72,227	-	-	500	72,727
Investments – other than public investments	306,120	3,237,715	1,183,575	-	4,727,410
Trade and other debtors	-	-	-	154,794	154,794
	<u>378,347</u>	<u>3,237,715</u>	<u>1,183,575</u>	<u>155,294</u>	<u>4,954,931</u>
Weighted average interest rate	3.73%	5.02%	6.35%		
<b>Financial Liabilities</b>					
Accrued Expenses	-	-	-	230,002	230,002
Subscriptions in advance	-	-	-	195,727	195,727
	<u>-</u>	<u>-</u>	<u>-</u>	<u>425,729</u>	<u>425,729</u>

	<u>2001</u>				Total
	Floating Interest rate	1 year or less	Fixed interest Maturing in	Non interest bearing	
<b>Financial assets</b>					
Cash on hand and in banks	11,288	-	-	500	11,788
Investments – other than public investments	249,808	4,246,640	-	-	4,496,448
Trade and other debtors	-	-	-	162,255	162,255
	<u>261,096</u>	<u>4,246,640</u>	<u>-</u>	<u>162,755</u>	<u>4,670,491</u>
Weighted average interest rate	3.37%	5.02%			
<b>Financial Liabilities</b>					
Accrued Expenses	-	-	-	256,295	256,295
Subscriptions in advance	-	-	-	183,334	183,334
	<u>-</u>	<u>-</u>	<u>-</u>	<u>439,629</u>	<u>439,629</u>

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2002 (CONT.)**

**Note 15      Financial Instruments Disclosure (cont.)**

(b)      Credit Risk Exposure

Credit risk on financial assets represents the loss that would be recognised if counterparties failed to perform as contracted. The credit risk on financial assets, excluding investments, of the Australian Education Union (SA Branch) which have been recognised in the balance sheet is the carrying amount, net of any provision for doubtful debts.

(c)      Net Fair Values of Financial Assets and Financial Liabilities

Net fair value of financial assets and financial liabilities are determined by valuing them at the present value of contractual future cash flows on amounts due from customers (reduced for expected credit losses) or due to suppliers.

The carrying amounts of cash on hand and in banks, investments, trade and other debtors, prepayments, accrued expenses and subscriptions in advance are not materially different from their net fair values.

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**PRESCRIBED INFORMATION NOTICE**

Notice is hereby given that under Sub-section 274(4) of the Workplace Relations Act, 1996, this Committee of Management is required to bring to members attention the provision of Section 274 sub-section (1) to (3) inclusive. Specifically:

Sub-section 274(1) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.

Sub-section 274(2) An organisation shall, on application made under subsection (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time, as is prescribed.

Sub-section 274(3) A Registrar may only make an application under subsection (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.



INDEPENDENT AUDIT REPORT  
TO THE MEMBERS OF THE AUSTRALIAN EDUCATION UNION (SA BRANCH)

Angas House, 4 - 8 Angas Street  
Kent Town, South Australia 5067  
GPO Box 2163 Adelaide SA 5001  
DX 240 Adelaide  
Telephone 08 8139 1111  
Facsimile 08 8139 1100  
info@edwardsmarshall.com.au  
edwardsmarshall.com.au

SCOPE

We have audited the financial report of the Australian Education Union (SA Branch) for the year ended 31 December 2002 comprising the statement of financial position, statement of financial performance, statement of cash flows, Accounting Officer's certificate, Committee of Managements certificate and the notes attached thereto. The Executive Committee of the Australian Education Union (SA Branch) is responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Australian Education Union (SA Branch).

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and the Workplace Relations Act, 1996 so as to present a view which is consistent with our understanding of the Australian Education Union (SA Branch)'s financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

AUDIT OPINION

In our opinion:

- a) the financial report of the Australian Education Union (SA Branch) is properly drawn up in accordance with Section 273 of the Workplace Relations Act, 1996 so as to give a true and fair view of the financial position of the organisation at 31 December 2002 and the financial performance, profit and cash flows for the year then ended in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia; and
- b) there were kept by the Australian Education Union (SA Branch) in respect of the year, satisfactory accounting records including records of the sources and nature of the income of the organisation (including income from members) and records of the nature and purposes of the expenditure of the organisation; and
- c) the information and explanations that officers or employees of the organisation were required to provide were provided.

*Edwards Marshall*

Chartered Accountants

(Partner)

Adelaide  
South Australia

Dated 27<sup>th</sup> May 2003

*Partners*

Brenton W Ellery FCA  
Brian T Morris FCA  
Hugh L McPharlin FCA  
Jonathon W Sando FCA  
Trevor J Spratt FCA  
Steven M Wild FCA  
Noel W Clifford FCA  
Jamie T Dreckow CA  
Geoffrey R Kay CA  
Benjamin L T Miels CA  
Angelo R Piantadosi FCA  
Grantley W Stevens CA

*Senior Employees*


Paul A Dutton CA  
Belinda C Goedecke CA  
Stephen A Hunter CA  
Nicholas K Wilkins CA

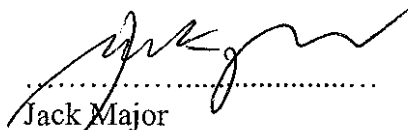
**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**COMMITTEE OF MANAGEMENT'S CERTIFICATE**

We, John Gregory and Jack Major, being two members of the Committee of the Management of Australian Education Union (SA Branch), do state on behalf of the Committee of Management and in accordance with a resolution passed by the Committee, that:

- (i) in the opinion of the committee of management, the financial statements show a true and fair view of the financial affairs of the organisation as at 31st December 2002;
- (ii) during the year ended 31st December 2002 the meetings of the committee of management were, in the opinion of the committee, held in accordance with the rules of the organisation;
- (iii) that to the knowledge of any members of the Committee, there have been, during the year ended 31<sup>st</sup> December 2002, no instances where records of the organisation or other documents (not being documents containing information made available to a member of the organisation under sub-section 274(2) of the Workplace Relations Act 1996), or copies of those records or other documents, or copies of the rules of the organisation, have not been furnished, or made available, to members of the Union in accordance with the Workplace Relations Act 1996, the Regulations, or the rules of the organisation; and
- (iv) that the branch has complied with sub-section 279(1) and (6) of the Act in relation to the financial statements in respect of the year ended 31st December 2001 and the auditors report thereon. Specifically the financial documents were presented to a meeting of the Committee of Management on 24<sup>th</sup> June 2002.

  
.....  
John Gregory  
Committee of Management

  
.....  
Jack Major  
Committee of Management

Dated ..... 27.5.03

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**ACCOUNTING OFFICER'S CERTIFICATE**

I, **JACK MAJOR**, being the officer responsible for keeping the accounting records of the Australian Education Union (SA Branch), certify that as at 31st December 2002 the number of persons that were members was 12,355.

In my opinion,

- (i) the financial statements show a true and fair view of the financial affairs of the organisation as at the 31st December 2002;
- (ii) a record has been kept of all moneys paid by, or collected from, members of the organisation, and all moneys so paid or collected have been credited to the bank account or accounts to which those moneys are to be credited, in accordance with the rules of the organisation;
- (iii) before any expenditure was incurred by the organisation, approval of the incurring of the expenditure was obtained in accordance with the rules of the organisation;
- (iv) no payment was made for a purpose other than the purpose for which the fund was operated;
- (v) all loans or other financial benefits granted to persons holding office in the organisation were authorised in accordance with the rules of the organisation; and
- (vi) the register of members of the organisation was maintained in accordance with the Act.

  
.....  
JACK MAJOR  
Branch Secretary

Dated 27.5.03

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**SUMMARY STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2002**

	<b>2002</b>	<b>2001</b>
	<b>\$</b>	<b>\$</b>
<b>Income</b>		
Subscriptions	4,617,566	4,527,019
Interest	242,535	248,068
Other Income	135,464	161,829
<b>Total Income</b>	<u>4,995,565</u>	<u>4,936,916</u>
<b>Expenses</b>		
Governance	458,774	459,751
Administration & Personnel	1,163,783	1,180,233
Operations	2,208,104	2,218,608
Other Member Operations	749,514	711,857
Property	324,393	321,257
<b>Total Expenses</b>	<u>4,904,568</u>	<u>4,891,706</u>
<b>Net Profit from ordinary activities</b>	<u>90,997</u>	<u>45,210</u>

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**SUMMARY STATEMENT OF FINANCIAL POSITION  
AS AT 31ST DECEMBER 2002**

	<b>2002</b>	<b>2001</b>
	\$	\$
<b>ASSETS</b>		
Current Assets	4,954,931	4,670,491
Non-Current Assets	2,702,205	2,836,510
<b>TOTAL ASSETS</b>	<u>7,657,136</u>	<u>7,507,001</u>
<b>LIABILITIES</b>		
Current Liabilities	1,144,834	1,132,455
Non Current Liabilities	71,895	25,136
<b>TOTAL LIABILITIES</b>	<u>1,216,729</u>	<u>1,157,591</u>
<b>NET ASSETS</b>	<u>6,440,407</u>	<u>6,349,410</u>
<b>EQUITY</b>		
Retained Profits	6,440,407	6,349,410
<b>TOTAL EQUITY</b>	<u>6,440,407</u>	<u>6,349,410</u>

**SUMMARY STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31ST DECEMBER 2002**

	<b>2002</b>	<b>2001</b>
	\$	\$
Net Cash Provided by Operating Activities	331,376	383,386
Net Cash Provided by/(Used in) Investing Activities	(270,437)	(457,084)
Net Increase/(Decrease) in Cash Held	60,939	(73,698)
Cash at the Beginning of the year	11,788	85,486
<b>Cash at the End of the year</b>	<u>72,727</u>	<u>11,788</u>



**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**SUMMARY OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2002**

The Financial Statements of the Australian Education Union (South Australian Branch) have been audited in accordance with the provisions of the Workplace Relations Act 1996 (the Act), and the following summary is provided for members in accordance with Section 279(1) of the Act.

In my opinion this summary of the financial statements is consistent with the statutory Accounts of the financial affairs of the organisation as at the 31st December 2002. A copy of the Auditors' Report, Accounts and Statements will be supplied free of charge to members upon request.

Certificates required to be given under the Act by the Accounting Officer and the Branch Executive have been completed in accordance with the provisions of the Act and contain no qualifications.

In accordance with the requirements of the Act, attention of members is drawn to the provisions of subsection (1), (2) and (3) of section 274 which reads as follows:

- (1) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.
- (2) An organisation shall, on application made under subsection (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time, as is prescribed.
- (3) A Registrar may only make an application under subsection (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

  
.....  
JACK MAJOR  
Branch Secretary

Dated 27-1-03



EdwardsMarshall

INDEPENDENT AUDIT REPORT  
TO THE MEMBERS OF THE AUSTRALIAN EDUCATION UNION (SA BRANCH)

Angas House, 4 - 8 Angas Street  
Kent Town, South Australia 5067  
GPO Box 2163 Adelaide SA 5001  
DX 240 Adelaide  
Telephone 08 8139 1111  
Facsimile 08 8139 1100  
info@edwardsmarshall.com.au  
edwardsmarshall.com.au

We have audited the summarised financial report of the Australian Education Union (SA Branch) for the year ended 31 December 2002 comprising the summarised statement of financial position, summarised statement of financial performance and summarised statement of cash flows in accordance with Australian Auditing Standards.

In our opinion, the information reported in the summarised financial report is consistent with the annual statutory financial report from which it is derived and upon which we expressed an unqualified audit opinion in our report to the members dated 27 May 2003. For a better understanding of the scope of our audit, this report should be read in conjunction with our audit report on the annual statutory financial report.

*Edwards Marshall*

Chartered Accountants

(Partner)

Adelaide  
South Australia

Dated *27<sup>th</sup> May 2003*

*Partners*

Brenton W Ellery FCA  
Brian T Morris FCA  
Hugh L McPharlin FCA  
Jonathon W Sando FCA  
Trevor J Spratt FCA  
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Paul A Dutton CA  
Belinda C Goedecke CA  
Stephen A Hunter CA  
Nicholas K Wilkins CA

BRAMWELL GILES LEECHMAN & ASSOCIATES  
 Level 1, 600 St Kilda Road, Melbourne 3004  
 PO Box 6094, St Kilda Road Central, 8008  
 Telephone (03) 9525 2511 Fax (03) 9525 2829

AUSTRALIAN EDUCATION UNION – FEDERAL OFFICE

## Auditors' Certificate

FOR THE YEAR ENDED 30 SEPTEMBER 2002

We certify that the attached summary is a fair and accurate summary of the Statement of Income and Expenditure, Statement of Financial Position, Statement of Cash Flows and Notes to and Forming Part of the Accounts of the Australian Education Union – Federal Office for the year ended 30 September 2002.

The Auditors' Report dated the 15 January 2003 on the Financial Statements did not contain particulars of any deficiency, failure or shortcoming as referred to in the Workplace Relations Act 1996.

*Bramwell Giles Leechman & Associates*

Bramwell Giles Leechman & Associates  
 Chartered Accountants

*I A Hinds*

I A Hinds – A.C.A.

Partner

Melbourne

Dated: 15 January 2003

## Summary of the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2002

The Financial Statements of the Australian Education Union – Federal Office have been audited in accordance with the provisions of the Workplace Relations Act 1996 (the Act), and the following summary is provided for members in accordance with Section 279 (1) of the Act.

Copies of the Auditors' Report, Accounts and Statements will be supplied free of charge to members who request them.

Certificates required to be given under the Act by the Accounting Officer and the Federal Executive have been completed in accordance with the provisions of the Act and contain no qualifications.

In accordance with the requirements of the Act, the attention of members is drawn to the provisions of subsections (1), (2) and (3) of Section 274 which read as follows:

(1) A member of an Organisation, or Registrar, may apply to the Organisation for specified prescribed information in relation to the Organisation.

(2) An Organisation shall, on application under subsection (1) by a member of the Organisation, or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time as is prescribed.

(3) A Registrar may only make an application under subsection (1) at the request of a member of the Organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

## Summary Statement of Income and Expenditure

FOR THE YEAR ENDED 30 SEPTEMBER 2002

	2002	2001
	\$	\$
<b>INCOME</b>		
Capitation fees and levies	2,862,070	2,789,866
TAFE income	18,134	22,346
Other income	330,181	421,653
<b>TOTAL INCOME</b>	<b>3,210,385</b>	<b>3,233,865</b>
<b>TOTAL EXPENSES</b>		
	2,851,194	2,837,196
<b>OPERATING SURPLUS</b>	<b>359,191</b>	<b>396,669</b>
<b>ACCUMULATED SURPLUS AT BEGINNING OF FINANCIAL YEAR</b>		
	1,015,371	762,202
Amounts transferred to election reserves	-	143,500
Amounts transferred to allocated fund reserves	36,200	-
<b>ACCUMULATED SURPLUS AT END OF FINANCIAL YEAR</b>	<b>1,338,362</b>	<b>1,015,371</b>

## Statement of Financial Position

AS AT 30 SEPTEMBER 2002

	2002	2001
	\$	\$
<b>ASSETS</b>		
Current Assets	1,342,066	1,495,061
Non-current Assets	1,212,992	1,091,387
<b>TOTAL ASSETS</b>	<b>2,555,058</b>	<b>2,586,448</b>
<b>LIABILITIES</b>		
Current Liabilities	622,055	1,046,160
Non-current Liabilities	414,941	381,417
<b>TOTAL LIABILITIES</b>	<b>1,036,996</b>	<b>1,427,577</b>
<b>NET ASSETS</b>	<b>1,518,062</b>	<b>1,158,871</b>
<b>MEMBERS FUNDS</b>		
Reserves	179,700	143,500
Accumulated Surplus	1,338,362	1,015,371
<b>TOTAL MEMBERS FUNDS</b>	<b>1,518,062</b>	<b>1,158,871</b>

## Summary Statement of Cash Flows

FOR THE YEAR ENDED 30 SEPTEMBER 2002

	2002	2001
	\$	\$
Net cash provided by operating activities	170,998	643,488
Net cash used in investing activities	(128,053)	(89,528)
Net cash used in financing activities	(171,641)	(65,513)
Net increase/(decrease) in cash held	(128,696)	488,447
Cash at beginning of financial year	1,273,269	784,822
<b>Cash at end of financial year</b>	<b>1,144,573</b>	<b>1,273,269</b>



**AUSTRALIAN INDUSTRIAL REGISTRY**

Level 35, Nauru House  
80 Collins Street, Melbourne, VIC 3000  
GPO Box 1994S, Melbourne, VIC 3001  
Telephone: (03) 8661 7777  
Fax: (03) 9654 6672

Mr Jack Major  
Branch Secretary  
Australian Education Union  
South Australian Branch  
163 Greenhill Road  
PARKSIDE SA 5063

Dear Mr Major,

**Re: Australian Education Union - South Australian Branch  
Financial documents for year ended 31 December 2002 - FR2003/295**

I have received your letter dated 25 June 2003 together with the full financial documents, including the summary of those documents, of the South Australian Branch of the Australian Education Union for the year ended 31 December 2002. The documents were lodged in the Industrial Registry on 26 June 2003.

The documents have been filed.

As you may be aware, the Workplace Relations (Registration and Accountability of Organisations) legislation (the RAO legislation) generally came into operation on 12 May 2003.

The RAO legislation establishes a **Registration and Accountability of Organisations Schedule** (the RAO Schedule) inserted as Schedule IB within the *Workplace Relations Act 1996* (the WR Act) pertaining to registered organisations. Many of the provisions relating to registered organisations currently in the WR Act are replicated in the new RAO Schedule, with some amendments. Other matters will be substantially changed by the RAO Schedule, particularly the financial reporting requirements.

I note that the abovenamed organisation will be required to complete the financial reporting obligations for the financial year ended 31 December 2003 under the WR Act. However, the reporting obligations for the financial year ending 31 December 2004 will be governed by the requirements of the RAO Schedule. This is because the relevant transitional provisions of the *Workplace Relations Legislation Amendment (Registration of Accountability of Organisations) (Consequential Provisions) 2002 Act* apply to the first complete financial year subsequent to the commencement of the legislation [(see item 44(1))].

Yours sincerely

Lynette Markovksi  
Statutory Services Branch

16 July 2003