

FR 2054/753

AEU South Australian Branch

Australian Education Union

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Branch President: Andrew Gohl
Branch Secretary: Jack Major

Your reference:
Our reference:

28 June 2005

Industrial Registrar
Australian Industrial Registry
GPO Box 1994S
MELBOURNE VIC 3001

Second copy



Dear Sir

Re: Australian Education Union (SA Branch) - Accounts

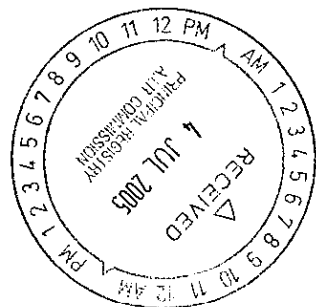
I certify that the attached copies of the General Purpose Financial Report, Committee of Management Statement, Operating Report and Auditor's Report for the financial year 1 January 2004 to 31 December 2004, are copies of the documents that were so presented to a General Meeting of Members of the Australian Education Union (SA Branch) held on 27 June 2005.

These accounts and auditors reports were published on the AEU (SA Branch) website on 3 June 2005, and all members were advised of publication on the website by notice in the AEU Journal published on 4 May 2005, copies of which are provided free of charge to all members.

Yours sincerely

JACK MAJOR
Branch Secretary

Encl.



**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)
OPERATING REPORT FOR THE YEAR ENDED 31ST DECEMBER 2004**

The Committee of the Management present their report on the Australian Education Union (SA Branch) for the year ended 31st December 2004.

The names of Executive members in office at any time during or since the end of the year are:

Andrew Gohl	Chris Waugh
Daniel Farmer	John (Jack) Major
Jacqueline Bone-George	Nicolas Cava
Patricia Cavanagh	Alice Goodall
Correna Haythorpe	Brenton Hudson
Fay Nightingale	Helen O'Connor
Gail Shepherdson	David Smith
Peter Tretheway	Janice Webber
Michael Williss	Bronwen Young
Roger Zubrinich	
Michael Morrison (from 1 st January 2004 to 29 th July 2004)	

Committee members have been in office since the start of the financial year to the date of this report unless otherwise stated.

The principal activity of the Union during the year was operating as a trade union in the Education industry within South Australia. The results of those activities are a surplus of \$3,391. There has been no significant change in the Union's financial affairs during the year.

The number of members as at 31st December 2004 was 12,487.

Members may resign from the Union in accordance with Rule 17 of the Federal Rules which reads:

"17 - Resignation from membership and termination of eligibility

- (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.

The number of persons who as at 31st December 2004 were employees of the Branch measured on a full time equivalent basis was 38.13.


.....
Dated


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

11 May 2005

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER 2004**

	Note	2004 \$	2003 \$
Revenues from ordinary activities	2	5,451,144	5,282,909
Expenses from ordinary activities			
Governance		551,805	461,109
Administration & Personnel		1,225,578	1,110,443
Operations		2,468,645	2,253,112
Other Member Operations		866,260	947,869
Property		335,465	338,701
	2	<u>5,447,753</u>	<u>5,111,234</u>
Net Profit from ordinary activities	10(b)	<u>3,391</u>	<u>171,675</u>
Increase in Asset Revaluation Reserve	10(a)	<u>-</u>	<u>2,015,375</u>
Total valuation adjustments recognised directly in equity		<u>-</u>	<u>2,015,375</u>
Total changes in equity of the Union		<u><u>3,391</u></u>	<u><u>2,187,050</u></u>

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 2004

	Notes	2004 \$	2003 \$
CURRENT ASSETS			
Cash assets	3	45,466	112,943
Receivables	4	94,857	127,898
Other	5	113,135	80,223
Other Financial Assets	6	5,188,053	4,958,820
Total Current Assets		5,441,511	5,279,884
NON-CURRENT ASSETS			
Property, Plant and Equipment	7	4,692,374	4,655,570
Other Financial Assets	6	2	2
Total Non-Current Assets		4,692,376	4,655,572
TOTAL ASSETS		10,133,887	9,935,456
CURRENT LIABILITIES			
Payables	8	569,322	487,431
Provisions	9	921,659	749,444
Total Current Liabilities		1,490,981	1,236,875
NON CURRENT LIABILITIES			
Provisions	9	12,058	71,124
Total Non Current Liabilities		12,058	71,124
TOTAL LIABILITIES		1,503,039	1,307,999
NET ASSETS		8,630,848	8,627,457
EQUITY			
Asset Revaluation Reserve	10(a)	2,015,375	2,015,375
Retained Profits	10(b)	6,615,473	6,612,082
TOTAL EQUITY		8,630,848	8,627,457

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 2004**

	Note	2004 \$	2003 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Subscriptions		5,544,561	5,392,583
Journal Subscriptions & Advertising		51,599	51,019
Payments to Suppliers and Employees		(5,310,229)	(5,074,961)
Rent & Room Hire		61,342	52,687
Interest Received		287,511	259,824
Other Income		40,020	13,507
Net GST Payable		(315,430)	(317,667)
Net Cash Provided by Operating Activities	11	<u>359,374</u>	<u>376,992</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Property, Plant and Equipment		(210,848)	(156,814)
Proceeds From Sale of Equipment		13,230	44,901
Redemptions from/(Deposits to) Investments		(229,021)	(225,818)
Staff/Member Loans Issued		(4,910)	(4,395)
Payments Received on Staff/Member Loans		4,698	5,350
Net Cash Used in Investing Activities		<u>(426,851)</u>	<u>(336,776)</u>
Net Increase/(Decrease) in Cash Held		(67,477)	40,216
Cash at the Beginning of the Reporting Period		112,943	72,727
Cash at the End of the Reporting Period	11	<u><u>45,466</u></u>	<u><u>112,943</u></u>

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 2004**

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 31st December 1996. Property, plant and equipment acquired since 1st 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.

An independent valuation of the land and buildings was undertaken on 31st December 2003. The valuation was performed by Mr Paul C Tilley FAPI, AREI, CREI (Val), Certified Practising Valuer.

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 2004 (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 2004. 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.

(g) Adoption of Australian Equivalents to International Financial Reporting Standards

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for financial years commencing 1 January 2005. This requires the production of accounting data for future comparative purposes at the beginning of the next financial year.

The Unions management, along with its auditors have assessed the significance of these changes and are preparing for their implementation.

The Committee of Management are of the opinion that the adoption of IFRS will not have any material impacts to the accounting policies currently applied

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2004 (CONT.)**

Note 2	Net Profit from ordinary activities	2004	2003
		\$	\$
The Net Profit from ordinary activities includes the following items of Revenue and Expense.			
REVENUES			
Ordinary activities			
	Subscriptions	5,039,681	4,895,598
	Interest	294,567	263,600
	Rent	43,139	42,287
	Room Hire	11,672	5,509
	(Loss)/Profit on sale of Plant & Equipment	(1,275)	3,751
	Other Income	21,842	20,598
	Journal Advertising & Subscriptions	41,518	51,566
	TOTAL REVENUE	<u>5,451,144</u>	<u>5,282,909</u>
EXPENSES			
Ordinary activities			
GOVERNANCE			
	Branch, Area & Divisional Council Meetings	65,821	61,960
	Sub-branch Administration Grants	7,793	2,089
	Committee Expenses & Communication to Members	60,183	33,675
	Executive Expenses	37,180	34,355
	Donations	1,693	-
	Entertainment & Travel	18,354	8,392
	Travel sustentation	698	-
	Executive Allowances	3,875	4,000
	Salaries to Elected Officers	356,208	316,638
	TOTAL GOVERNANCE	<u>551,805</u>	<u>461,109</u>

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2004 (CONT.)**

Note 2	Net Profit from ordinary activities (cont.)	2004	2003
		\$	\$
	ADMINISTRATION & PERSONNEL		
	Accountancy & Audit	12,475	10,475
	Bank Fees	48,351	48,014
	Doubtful Debts	(22)	425
	Entertainment & Travel	2,528	1,682
	Fringe Benefits Tax	3,799	3,314
	Insurance	4,816	4,705
	Internet Access & Website	8,731	8,774
	Legal Fees	539	243
	Machine Maintenance	14,970	16,171
	Payroll Tax	131,196	130,135
	Postage	7,880	10,020
	Printing & Stationery	34,006	26,849
	Provision for Annual Leave	42,930	65,259
	Provision for Long Service Leave	70,219	(35,691)
	Recruitment & Training	22,494	16,290
	Travel sustentation	840	-
	Salaries	345,434	349,107
	Seconded Staff On-costs	79,577	59,249
	Computer Expenses	34,546	18,911
	Sundry Expenses	3,079	1,699
	Superannuation	258,762	257,689
	Telephone & Fax	58,240	63,796
	Workcover	40,188	53,327
	TOTAL ADMINISTRATION & PERSONNEL	1,225,578	1,110,443
	OPERATIONS		
	Campaign & Publicity:		
	Advertising & Other Campaign Expenses	287,862	86,215
	Media Consultancy & Monitoring	18,953	19,591
		306,815	105,806
	Membership Records:		
	Stationery/Resources	3,287	3,166
	Postage	16,518	17,745
	Salaries	112,805	105,409
		132,610	126,320

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2004 (CONT.)**

Note 2	Net Profit from ordinary activities (cont.)	2004	2003
		\$	\$
	OPERATIONS (Cont.)		
	Resource Centre:		
	Purchases	23,253	33,513
	Salaries	133,927	120,775
		<u>157,180</u>	<u>154,288</u>
	Organisers:		
	Regional Office Expenses	13,456	13,181
	Motor Vehicle Expenses	54,999	58,668
	Depreciation - Motor Vehicles	48,141	46,967
	Salaries	1,030,689	967,942
	Travel & Sundry Expenses	50,219	55,282
		<u>1,197,504</u>	<u>1,142,040</u>
	Industrial:		
	Legal Expenses	1,787	14,683
	Salaries	257,983	287,082
	Travel sustentation	881	-
	Travel & Sundry Expenses	4,246	5,620
		<u>264,897</u>	<u>307,385</u>
	Journal:		
	Printing	69,579	72,245
	Delivery	39,182	36,135
	Travel & Accommodation	734	314
	Salaries	201,980	199,658
		<u>311,475</u>	<u>308,352</u>
	Women's Officer:		
	Operating Expenses	28,061	38,850
	Salaries	69,363	70,071
	Travel sustentation	740	-
		<u>98,164</u>	<u>108,921</u>
	TOTAL OPERATIONS	<u><u>2,468,645</u></u>	<u><u>2,253,112</u></u>

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2004 (CONT.)**

Note 2	Net Profit from ordinary activities (cont.)	2004	2003
		\$	\$
	OTHER MEMBER OPERATIONS		
	Legal Defence	147,639	224,619
	Union Development	145,851	169,289
	Member Professional Development	67,986	73,341
	International Support	34,153	32,645
	A.E.U. Affiliation	297,124	287,163
	Other Affiliations	49,784	48,031
	National Committees & Conferences		7,872
	Travel & other expenses	9,363	-
	Sustentation	6,435	-
	Salaries	107,000	104,909
	Travel sustentation	925	-
	TOTAL OTHER MEMBER OPERATIONS	<u>866,260</u>	<u>947,869</u>
	PROPERTY		
	Repairs & Maintenance	28,201	33,638
	Rates & Taxes	47,410	41,783
	Electricity	37,128	34,871
	Cleaning	34,872	34,872
	Insurance	16,433	14,324
	Sundry Property Expenses	14,034	10,244
	Depreciation		
	- Furniture & Fittings	9,210	8,466
	- Plant & Equipment	68,804	56,023
	- Buildings	42,475	68,625
	Salaries	36,898	35,855
	TOTAL PROPERTY	<u>335,465</u>	<u>338,701</u>
	TOTAL EXPENSES	<u><u>5,447,753</u></u>	<u><u>5,111,234</u></u>

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2004(CONT.)**

Note 3	Cash assets	2004	2003
		\$	\$
	Petty Cash	500	500
	Cash at Bank	44,966	112,443
		<u>45,466</u>	<u>112,943</u>
Note 4	Receivables		
	Trade Debtors	1,572	28,634
	Provision for Doubtful Debts	(100)	(100)
		<u>1,472</u>	<u>28,534</u>
	Sundry Debtors	93,385	99,364
		<u>94,857</u>	<u>127,898</u>
<p>Note the 2004 Trade Debtors includes \$388 in relation to an amount receivable from the Australian Education Union.</p>			
Note 5	Other		
	Prepayments	<u>113,135</u>	<u>80,223</u>
Note 6	Other Financial Assets		
	Investments - Current		
	Satisfac Deposits	2,723,962	2,564,568
	Bank SA:		
	Short Term Money Market	444,808	329,808
	Bank Bills	2,013,479	2,058,852
	Staff Computer Loans	4,881	4,514
	Member Emergency Relief Loans	923	1,078
		<u>5,188,053</u>	<u>4,958,820</u>
	Investments - Non-current		
	Satisfac Credit Union Share		
	- at cost	<u>2</u>	<u>2</u>

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2004(CONT.)**

	2004	2003
	\$	\$
Note 7 Property, Plant & Equipment		
Land and Buildings		
An independent valuation of the land and buildings was undertaken on 31 st December 2003. The valuation was performed by Mr Paul C Tilley FAPI, AREI, CREI (Val), Certified Practising Valuer.		
Greenhill Road – at independent valuation	3,900,000	3,900,000
Accumulated Depreciation	(38,375)	-
	<u>3,861,625</u>	<u>3,900,000</u>
Porter Street – at independent valuation	380,000	380,000
Accumulated Depreciation	(4,100)	-
	<u>375,900</u>	<u>380,000</u>
Works of Art – at cost	36,300	36,300
	<u> </u>	<u> </u>
Plant & Equipment - at cost	537,613	443,424
Accumulated Depreciation	(345,817)	(309,726)
	<u>191,796</u>	<u>133,698</u>
Furniture and Fittings - at cost	131,921	130,505
Accumulated Depreciation	(116,096)	(106,886)
	<u>15,825</u>	<u>23,619</u>
Motor Vehicles - at cost	326,646	249,530
Accumulated Depreciation	(115,718)	(67,577)
	<u>210,928</u>	<u>181,953</u>
Total property, plant & equipment	<u><u>4,692,374</u></u>	<u><u>4,655,570</u></u>

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2004(CONT.)**

Note 7 Property, Plant & Equipment (cont.)

	<u>2004</u>						
	G/Hill Rd	Porter St	Work of Art	Plant & Equipment	Furniture & Fittings	Motor Vehicles	Total
Opening WDV	3,900,000	380,000	36,300	133,698	23,619	181,953	4,655,570
Additions – cost	-	-	-	132,315	1,416	77,116	210,847
Disposals	-	-	-	(5,413)	-	-	(5,413)
Depreciation	(38,375)	(4,100)	-	(68,804)	(9,210)	(48,141)	(168,630)
Closing WDV	<u>3,861,625</u>	<u>375,900</u>	<u>36,300</u>	<u>191,796</u>	<u>15,825</u>	<u>210,928</u>	<u>4,692,374</u>
	<u>2003</u>						
	G/Hill Rd	Porter St	Work of Art	Plant & Equipment	Furniture & Fittings	Motor Vehicles	Total
Opening WDV	2,146,250	187,000	36,300	129,679	21,017	181,957	2,702,203
Additions – cost	-	-	-	65,220	11,068	80,527	156,815
Disposals	-	-	-	(5,178)	-	(33,564)	(38,742)
Depreciation	(63,125)	(5,500)	-	(56,023)	(8,466)	(46,967)	(180,081)
Revaluation increment	1,816,875	198,500	-	-	-	-	2,015,375
Closing WDV	<u>3,900,000</u>	<u>380,000</u>	<u>36,300</u>	<u>133,698</u>	<u>23,619</u>	<u>181,953</u>	<u>4,655,570</u>

Note 8 Payables

	<u>2004</u>	<u>2003</u>
	\$	\$
Accrued Expenses	363,499	285,450
Subscriptions in advance	205,823	201,981
	<u>569,322</u>	<u>487,431</u>

Note the 2004 Accrued Expenses include \$12,589 in relation to salary and oncost obligations for Elected Officers and \$10,204 in relation to legal costs.

Note 9 Provisions

Current

Provision for Annual Leave		
Elected Officers	65,937	47,963
Other employees	276,077	251,121
	<u>342,014</u>	<u>299,084</u>
Provision for Long Service Leave		
Elected Officers	22,692	17,449
Other employees	506,953	382,911
	<u>529,645</u>	<u>400,360</u>

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2004(CONT.)**

		2004	2003
		\$	\$
Note 9	Provisions (cont.)		
	Provision for Sick Leave		
	Elected Officers	1,500	3,000
	Other employees	48,500	47,000
		<u>50,000</u>	<u>50,000</u>
		<u>921,659</u>	<u>749,444</u>
	Non Current		
	Provision for Long Service Leave		
	Other employees	12,058	71,124
		<u>12,058</u>	<u>71,124</u>
Note 10			
	(a) Asset Revaluation Reserve		
	Balance at the beginning of the financial year	2,015,375	-
	Revaluation increment on land and buildings	-	2,015,375
		<u>2,015,375</u>	<u>2,015,375</u>
	(b) Retained Profits		
	Balance at the beginning of the financial year	6,612,082	6,440,407
	Net Profit from ordinary activities	3,391	171,675
		<u>6,615,473</u>	<u>6,612,082</u>
	Balance at the end of the financial year	<u>6,615,473</u>	<u>6,612,082</u>

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2004 (CONT.)**

	2004	2003
	\$	\$
Note 11 Cash Flows		
a) Reconciliation of Net Profit from ordinary activities to Net Cash Provided by Operating Activities		
Net Profit from ordinary activities	3,391	171,675
Depreciation:		
- Motor Vehicles	48,141	46,967
- Furniture & Fittings	9,210	8,466
- Plant & Equipment	68,804	56,023
- Buildings	42,475	68,625
Loss/(Gain) on Sale of Equipment	(7,816)	(3,751)
Change in Assets and Liabilities:		
Decrease/(Increase) in Trade Debtors	27,062	(25,954)
Decrease/(Increase) in Sundry Debtors	5,979	(8,041)
(Increase) in Prepayments	(32,912)	(28,288)
Increase in Payables	81,891	61,702
Increase in Provision for Annual Leave	42,930	65,259
Increase/(Decrease) in Provision for Long Service Leave	70,219	(35,691)
Net Cash Provided by Operating Activities	359,374	376,992

b) Reconciliation of Cash

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	44,966	112,443
	45,466	112,943

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.

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2004 (CONT.)**

Note 11 Cash Flows (cont.)

e) Cash flows with other AEU branches

Cash received from:

AEU Federal Office	10,456	12,288
AEU (Victorian Branch)	1,144	-
	<u>11,600</u>	<u>12,288</u>
Total cash received		

Cash paid to:

AEU Federal Office	394,197	315,669
AEU (Victorian Branch)	25	2,489
	<u>394,222</u>	<u>318,158</u>
Total cash paid		

Note 12 Auditor's Remuneration

Amounts received or due and receivable
by auditors for:

- auditing	11,475	10,475
- other services	-	-
	<u>11,475</u>	<u>10,475</u>

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:

Andrew Gohl	Chris Waugh
Daniel Farmer	John (Jack) Major
Jacqueline Bone-George	Nicolas Cava
Patricia Cavanagh	Alice Goodall
Bronwen Young (Goodman)	Correna Haythorpe
Brenton Hudson	Michael Morrison
Fay Nightingale	Helen O'Connor
Gail Shepherdson	David Smith
Peter Tretheway	Janice Webber
Michael Williss	Roger Zubrinich

The aggregate amount of remuneration directly or indirectly received or receivable for the year ended 31st December 2004, whether as an Executive member or otherwise, from the reporting entity in connection with the management of the reporting entity, was \$349,862 (2003 \$314,301). The aggregate amounts paid during the year ended 31st December 2004 to a superannuation plan or other entity by the reporting entity in connection with the retirement of Executive members of the reporting entity was \$43,143 (2003 \$41,093).

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 38.13

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2004 (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>2004</u>		Fixed interest Maturing in		
	Floating Interest rate	1 year or less	1 to 2 years	Non interest bearing	Total
Financial assets					
Cash on hand and in banks	44,966	-	-	500	45,466
Investments – other than public investments	444,808	3,361,218	1,376,223	-	5,182,249
Trade and other debtors	-	-	-	213,796	213,796
	489,774	3,361,218	1,376,223	214,296	5,441,511
Weighted average interest rate	4.18%	5.6%	6.5%		
Financial Liabilities					
Accrued Expenses	-	-	-	363,499	363,499
Subscriptions in advance	-	-	-	205,823	205,823
	-	-	-	569,322	569,322
	-	-	-	-	-
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AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2004 (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

In accordance with the requirements of the Workplace Relations Act, 1996 the attention of members is drawn to the provisions of subsections (1), (2) and (3) of Schedule 1B – Registration and Accountability of Organisations, which read as follows:

Sub-section 272(1) A member of an 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.

Sub-section 272(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.

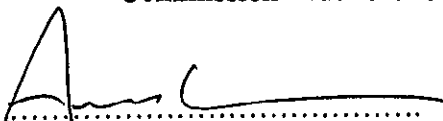
Sub-section 272(3) A reporting unit must comply with an application made under subsection (1)

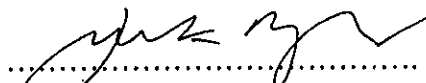
AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

COMMITTEE OF MANAGEMENT STATEMENT

We, Andrew Gohl 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 on 9th May 2005, that in the opinion of the Committee of Management:

- (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 Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Australian Education Union (SA Branch) 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 year ended 31 December 2004 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 RAO Schedule and the RAO Regulations; and
 - (iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - (v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - (vi) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.


.....
Andrew Gohl


.....
Jack Major

Dated 11 May 2005



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

THE AUSTRALIAN EDUCATION UNION (SA BRANCH)

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

SCOPE

The financial report and the Committee of Management's responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the Committee of Management's statement of the Union ("Australian Education Union (SA Branch)"), for the year ended 31 December 2004.

The Committee of Management of the Union is responsible for the preparation and fair presentation of the financial report in accordance with the Workplace Relations Act, 1996. 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 conducted an independent audit in order to express an opinion to the members of the Union. 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 judgement, 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 the Workplace Relations Act, 1996, a view which is consistent with our understanding of the Union's financial position, and of its performance as represented by the results of its operations and its cash flows.

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 report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Committee of Management.

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.

INDEPENDENCE

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

AUDIT OPINION

In our opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Workplace Relations Act, 1996 the financial position of the Australian Education Union (SA Branch) as at 31 December 2004, and its financial performance and its cash flows for the year then ended.

We have obtained all of the information and explanations required from the Union.

Edwards Marshall

Edwards Marshall
Chartered Accountants

Jamie Dreckow

Jamie Dreckow
(Partner)

Adelaide
South Australia

Dated 11 May 2005

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
- Paul Feltrin CA
- Belinda C Goedecke FCA
- Stephen A Hunter FCA
- Daniel Pezzuto CA
- Leanne Thomas CA
- Carly Thornton CA
- Nicholas K Wilkins FCA



Australian Government
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: Schedule 1B of the Workplace Relations Act 1996 (the RAO Schedule)
Financial reports for year ended 31 December 2004 - FR2004/753**

I have received the financial reports of your organisation for year ended 31 December 2004. The documents were lodged in the Industrial Registry on 4 July 2005.

The documents have been filed.

Yours sincerely,

Lynette Markovski
Statutory Services Branch

12 August 2005