



**Australian Government**  
**Australian Industrial Registry**

Level 5, 11 Exhibition Street  
Melbourne, VIC 3000  
GPO Box 1994, Melbourne, VIC 3001  
Telephone: (03) 8661 7764  
Fax: (03) 9655 0410  
Email: [kevin.donnellan@air.gov.au](mailto:kevin.donnellan@air.gov.au)

Mr Jack Major  
Branch Secretary  
Australian Education Union, South Australian Branch

email: [aeusa@aeusa.asn.au](mailto:aeusa@aeusa.asn.au)

Dear Mr Major

**Re: Financial Report for Australian Education Union (South Australian Branch) for year ended 31 December 2007 – FR2007/646**

I acknowledge receipt of the financial report and concise report of the Australian Education Union (South Australian Branch) for the year ended 31 December 2007. The documents were lodged with the Registry on 7 July 2008.

The financial report and concise report have now been filed.

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 following comments are made in relation to the full report and also the concise report.

***Operating Report***

While the Operating Report attached to the full report is signed, it is not dated, nor are the signatories identified. Further, the Operating Report attached to the Concise Report is signed and dated but the signatories are not identified. Could you ensure that future reports are signed and dated appropriately.

***Schedule 1B***

Please note that references to Schedule 1B should properly refer to Schedule 1.

The following comment is made in relation to the concise report.

***Committee of Management Resolution***

The concise report attached to your financial report is noted. As you know, the reporting unit can discharge its obligation to supply a full copy of its financial documents to its members with a concise report of the financial statements for the relevant financial year.

Section 265(2) states that a concise report may only be provided if, under the Branch's rules, the Branch's committee of management has resolved that a concise report is to be provided.

You are therefore requested to state, in any future concise report, that it is being provided to members in accordance with a resolution of the Branch's committee of management and to include the date of that resolution.

If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7764.

Yours sincerely

A handwritten signature in black ink, consisting of a stylized 'K' followed by a large loop and a long horizontal stroke.

Kevin Donnellan

Statutory Services Branch  
11 August 2008



## Australian Education Union

**SA Branch** | 163 Greenhill Road, Parkside, SA 5063  
**phone:** [08] 8272 1399 **email:** aeusa@aeusa.asn.au  
**fax:** [08] 8373 1254 **website:** www.aeusa.asn.au

Your reference:  
Our reference:

*FR 2007/646*

4 July 2008

Industrial Registrar  
Australian Industrial Registry  
GPO Box 1994  
MELBOURNE VICTORIA 3001

Dear Sir

### **Re: Australian Education Union (SA Branch) Financial Reports**

I certify that the enclosed copies of the General Purpose Financial Report, Committee of Management Statement, Operating Report and Auditor's Report for the financial year 1 January 2007 to 31 December 2007, are copies of the documents that were presented to a meeting of the Committee of Management of the Australian Education Union (SA Branch) on 23 June 2008.

These accounts and Auditor's Report were published on the Australian Education Union (SA Branch) website on 28 May 2008, and all members were advised of publication on the website by notice in a Faxstream distributed to all worksites with members of the Branch on 28 May 2008

Yours sincerely

A handwritten signature in black ink, appearing to read "Jack Major".

JACK MAJOR  
Branch Secretary

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)  
OPERATING REPORT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2007**

The Committee of the Management present their report on the Australian Education Union (SA Branch) for the year ended 31<sup>st</sup> December 2007.

The names of Branch Executive members in office at any time during the year are:

Andrew Gohl	(President)	
Janice Webber	(Vice President)	
Marcus Knill	(Vice President)	
John (Jack) Major	(Branch Secretary)	
Alice Haberfield	(Treasurer)	
Richard Baxter	Jacqueline Bone-George	Nicolas Cava
David Coulter	Daniel Ellis	Stephen Errock
John Hunter	Pam Kent	Julie Masters
Clare McCarty	Helen O'Connor	Daniel Pereira
David Smith	Katrina Spencer	Christine Waugh
Michael Williss	Bronwen Young	

Note: All Committee Members served a 2 year term of office ending 31 December 2007, except for the four members listed below.

Mike Williss resigned on 2/6/07 and was replaced by Daniel Pereira from 18/8/07.

Bronwen Young resigned on 31/12/06 and was replaced by David Coulter from 31/3/07.

Office holders are listed at the beginning of the Committee Member list. All other Committee Members are known as Ordinary Branch Executive Members.

No officer or member of the Branch is

- (i) a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (ii) a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme;

where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation.

The principal activity of the Union during the year was operating as a trade union in the Education industry within South Australia.

During the course of 2007 a major activity was the union's participation in the ACTU Your Rights at Work campaign which contributed to the defeat of the Howard Government in the Federal Election held on 24 November 2007. Extensive consultation with members of the union during the course of 2007 led to the endorsement of a comprehensive Enterprise Bargaining Log of Claims by Branch Council on 1 December 2007 in preparation for negotiation for a new Enterprise Agreement for members covered by the South Australian Education Staff (Government preschools, schools and TAFE) Enterprise Agreement 2006 early in 2008.

The financial results of those activities are a surplus of \$167,462.

There has been no significant change in the Union's financial affairs during the year.

The number of members as at 31<sup>st</sup> December 2007 was 12,993.

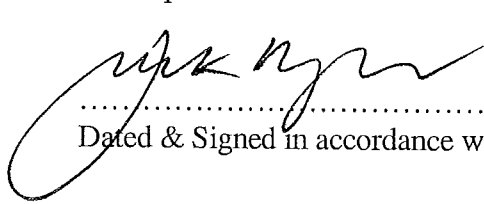
Members may resign from the Union in accordance with Federal Rule 17 which reads:

"17 - Resignation from membership and termination of eligibility

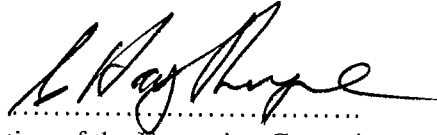
- (3) A member may resign from membership of the Union by written notice addressed to and delivered to the Secretary of the Branch to which the member is attached.

- (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 31<sup>st</sup> December 2007 were employees of the Branch measured on a full time equivalent basis was 44.84.



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Dated & Signed in accordance with a resolution of the Executive Committee

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

**INCOME STATEMENT  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2007**

	<b>Note</b>	<b>2007</b> \$	<b>2006</b> \$
Revenues	2	6,624,641	6,213,621
Expenses			
Governance		655,890	647,058
Administration & Personnel		1,145,434	877,288
Operations		3,016,342	2,939,331
Other Member Operations		1,234,275	1,100,623
Property		405,238	354,341
	2	<u>6,457,179</u>	<u>5,918,641</u>
Net (Loss) / Profit		<u>167,462</u> =====	<u>294,980</u> =====

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

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

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2007**

	Retained Earnings \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 <sup>st</sup> January 2005	6,615,473	2,015,375	8,630,848
(Loss) attributable to members of the Union	(246,720)	-	(246,720)
Balance at 31 <sup>st</sup> December 2005	<u>6,368,753</u>	<u>2,015,375</u>	<u>8,384,128</u>
Profit attributable to members of the Union	294,980	-	294,980
Balance as 31 <sup>st</sup> December 2006	<u>6,663,733</u>	<u>2,015,375</u>	<u>8,679,108</u>
Profit attributable to members of the Union	167,462	-	167,462
Balance as 31 <sup>st</sup> December 2007	<u><u>6,831,195</u></u>	<u><u>2,015,375</u></u>	<u><u>8,846,570</u></u>

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

# AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

## BALANCE SHEET AS AT 31ST DECEMBER 2007

	Notes	2007 \$	2006 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	285,721	225,132
Receivables	4	107,046	123,621
Other current assets	5	87,495	54,092
Other Financial Assets	6	5,861,233	5,418,635
<b>Total Current Assets</b>		<u>6,341,495</u>	<u>5,821,480</u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	7	4,622,404	4,712,435
Financial Assets	6	2	2
<b>Total Non-Current Assets</b>		<u>4,622,406</u>	<u>4,712,437</u>
<b>TOTAL ASSETS</b>		<u>10,963,901</u>	<u>10,533,917</u>
<b>CURRENT LIABILITIES</b>			
Trade and other Payables	8	863,327	777,815
Short – term Provisions	9	1,231,737	1,061,395
<b>Total Current Liabilities</b>		<u>2,095,064</u>	<u>1,839,210</u>
<b>NON CURRENT LIABILITIES</b>			
Long – term Provisions	9	22,267	15,599
<b>Total Non Current Liabilities</b>		<u>22,267</u>	<u>15,599</u>
<b>TOTAL LIABILITIES</b>		2,117,331	1,854,809
<b>NET ASSETS</b>		<u>8,846,570</u> =====	<u>8,679,108</u> =====
<b>EQUITY</b>			
Asset Revaluation Reserve		2,015,375	2,015,375
Retained Earnings		6,831,195	6,663,733
<b>TOTAL EQUITY</b>		<u>8,846,670</u> =====	<u>8,679,108</u> =====

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

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

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST DECEMBER 2007**

	<b>Note</b>	<b>2007</b> \$	<b>2006</b> \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Subscriptions		6,699,704	6,423,008
Journal Subscriptions & Advertising		38,388	44,854
Payments to Suppliers and Employees		(6,248,789)	(5,985,204)
Rent & Room Hire		76,643	69,516
Interest Received		412,459	303,527
Other Income		14,678	20,508
Net GST Payable		(402,045)	(355,653)
<b>Net Cash Provided by Operating Activities</b>	<b>10</b>	<u>591,043</u>	<u>520,556</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for Property, Plant and Equipment		(124,608)	(261,072)
Proceeds from Sale of Equipment		38,809	38,950
Redemptions from/(Deposits to) Investments		(442,598)	(266,768)
Staff/Member Loans Issued		(1,875)	(5,202)
Payments Received on Staff/Member Loans		1,818	7,050
<b>Net Cash Used in Investing Activities</b>		<u>(530,454)</u>	<u>(487,043)</u>
Net Increase/(Decrease) in Cash Held		60,589	33,513
Cash at the Beginning of the Reporting Period		225,132	191,619
<b>Cash at the End of the Reporting Period</b>	<b>10</b>	<u>285,721</u> =====	<u>225,132</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 2007

### Note 1      Accounting policies

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, 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 complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

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 and impairment losses. 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 31<sup>st</sup> 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%

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2007 (CONT.)**

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

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

The assets residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

An assets carrying value is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

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.

**(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 2007. Trade accounts are normally settled within 30 days.

**(e)    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.

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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 2007 (CONT.)**

**(f) Goods and Services Tax (GST)**

Revenue, 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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(g) Critical Accounting Estimates and Judgements**

The committee members evaluate estimates and judgements incorporated into the financial report 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 branch.

*Key Estimates – Impairment*

The branch assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the assets is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

**(h) Impairment of Assets**

At each reporting date, the branch reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the assets, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

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

**(i) 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 borrowings in current liabilities on the balance sheet.

**(j) Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

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**(k) Revenue**

Subscription revenue is recognised as revenue in the period to which the subscription relates. To the extent that subscriptions are received for the following year, these are treated as subscriptions in advance at balance date.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2007 (CONT.)**

<b>Note 2</b>	<b>Net Profit</b>	<b>2007</b>	<b>2006</b>
		<b>\$</b>	<b>\$</b>
	<b>The Net Profit includes the following items of Revenue and Expense.</b>		
	<b>REVENUE</b>		
	Subscriptions	6,106,983	5,772,076
	Interest	387,286	328,666
	Rent	46,089	41,425
	Room Hire	30,554	24,125
	(Loss)/Profit on sale of Plant & Equipment	663	(5,973)
	Other Income	14,678	16,919
	Journal Advertising & Subscriptions	38,388	36,383
	<b>TOTAL REVENUE</b>	<b>6,624,641</b>	<b>6,213,621</b>
	<b>EXPENSES</b>		
	<b>GOVERNANCE</b>		
	Branch, Area & Divisional Council Meetings	82,623	70,840
	Sub-branch Administration Grants	7,490	8,372
	Committee Expenses & Communication to Members	42,445	36,141
	Executive Expenses	24,758	26,357
	Donations	450	1,384
	Entertainment & Travel	17,690	18,725
	Travel sustentation	92	624
	Executive Allowances	3,750	3,522
	Salaries and related costs of Elected Officers	476,592	481,093
	<b>TOTAL GOVERNANCE</b>	<b>655,890</b>	<b>647,058</b>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2007 (CONT.)**

<b>Note 2</b>	<b>Net Profit (cont.)</b>	<b>2007</b>	<b>2006</b>
		<b>\$</b>	<b>\$</b>
	<b>ADMINISTRATION &amp; PERSONNEL</b>		
	Accountancy & Audit	11,800	11,800
	Bank Fees	54,597	54,002
	Doubtful Debts	-	373
	Bad Debts	68	-
	Entertainment & Travel	2,232	1,931
	Fringe Benefits Tax	4,431	4,437
	Insurance	3,830	3,824
	Internet Access & Website	10,783	16,880
	Legal Fees	-	-
	Machine Maintenance	17,384	13,356
	Postage	8,620	8,070
	Printing & Stationery	26,478	22,188
	Provision for Annual Leave	54,500	46,637
	Provision for Long Service Leave	125,281	74,778
	Recruitment & Training	31,372	27,487
	Travel sustentation	-	-
	Salaries and related costs	577,912	484,121
	Computer Expenses	139,725	33,226
	Sundry Expenses	12,926	4,143
	Telephone & Fax	63,495	65,035
	<b>TOTAL ADMINISTRATION &amp; PERSONNEL</b>	<b>1,145,434</b>	<b>877,288</b>
	<b>OPERATIONS</b>		
	Campaign & Publicity:		
	Advertising & Other Campaign Expenses	97,383	154,342
	Media Consultancy & Monitoring	15,477	22,150
		<b>112,860</b>	<b>176,492</b>
	Membership Records:		
	Stationery/Resources	5,363	15,111
	Postage	14,079	13,138
	Salaries and related costs	172,992	147,164
		<b>192,434</b>	<b>175,413</b>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2007 (CONT.)**

<b>Note 2</b>	<b>Net Profit (cont.)</b>	<b>2007</b>	<b>2006</b>
		<b>\$</b>	<b>\$</b>
	OPERATIONS (Cont.)		
	Resource Centre:		
	Purchases	23,836	20,284
	Salaries and Related Costs	202,105	171,228
		<hr/>	<hr/>
		225,941	191,512
	Organisers:		
	Regional Office Expenses	13,284	14,642
	Motor Vehicle Expenses	43,910	58,736
	Depreciation - Motor Vehicles	36,970	40,664
	Salaries and Related Costs	1,428,124	1,430,725
	Travel & Sundry Expenses	64,428	49,568
		<hr/>	<hr/>
		1,586,716	1,594,335
	Industrial:		
	Legal Expenses	61,577	2,744
	Salaries and Related Costs	358,394	320,196
	Travel sustentation	500	1,300
	Travel & Sundry Expenses	4,426	5,015
		<hr/>	<hr/>
		424,897	329,255
	Communications:		
	AEU Journal - Printing	66,568	100,777
	- Delivery	27,643	34,018
	Newsletters - Printing	9,936	7,809
	- Delivery	12,650	7,473
	Travel & Accommodation	407	845
	Salaries and Related Costs	231,577	208,124
		<hr/>	<hr/>
		348,781	359,046
	Women's Officer:		
	Operating Expenses	26,549	31,948
	Salaries and Related Costs	96,767	81,330
	Travel sustentation	1,397	-
		<hr/>	<hr/>
		124,713	113,278
	 TOTAL OPERATIONS	 <hr/>	 <hr/>
		3,016,342	2,939,331
		<hr/>	<hr/>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2007 (CONT.)**

<b>Note 2</b>	<b>Net Profit (cont.)</b>	<b>2007</b> \$	<b>2006</b> \$
	<b>OTHER MEMBER OPERATIONS</b>		
	Legal Defence	135,250	158,323
	Union Development	210,367	168,971
	Member Professional Development	67,628	86,028
	International Support	38,035	38,000
	A.E.U. Affiliation	554,515	428,297
	Other Affiliations	54,218	52,517
	National Committees & Conferences		
	Travel & other expenses	9,243	8,146
	Sustentation	7,108	8,424
	Salaries and Related Costs	156,720	150,800
	Travel and accommodation	946	767
	Travel sustentation	245	350
	<b>TOTAL OTHER MEMBER OPERATIONS</b>	<u>1,234,275</u>	<u>1,100,623</u>
	<b>PROPERTY</b>		
	Repairs & Maintenance	29,585	23,824
	Rates & Taxes	51,245	49,897
	Electricity	32,266	33,701
	Cleaning	40,056	38,359
	Insurance	14,049	13,776
	Sundry Property Expenses	24,154	18,182
	Depreciation		
	- Furniture & Fittings	2,771	2,515
	- Plant & Equipment	104,897	89,235
	- Buildings	42,475	42,475
	Salaries and Related Costs	63,740	42,377
	<b>TOTAL PROPERTY</b>	<u>405,238</u>	<u>354,341</u>
	<b>TOTAL EXPENSES</b>	<u>6,457,179</u> =====	<u>5,918,641</u> =====

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2007 (CONT.)**

<b>Note 3</b>	<b>Cash and cash equivalents</b>	<b>2007</b>	<b>2006</b>
		<b>\$</b>	<b>\$</b>
	Petty Cash	500	500
	Cash at Bank	285,221	224,632
		<u>285,721</u>	<u>225,132</u>
		<u>=====</u>	<u>=====</u>

<b>Note 4</b>	<b>Receivables</b>		
	Trade Debtors	14,699	5,486
	Provision for Doubtful Debts	(410)	(410)
		<u>14,289</u>	<u>5,076</u>
	Sundry Debtors	92,757	118,545
		<u>107,046</u>	<u>123,621</u>
		<u>=====</u>	<u>=====</u>

Note that in both 2007 and 2006 there were no amounts in Trade Debtors in relation to an amount receivable from the Australian Education Union.

<b>Note 5</b>	<b>Other Current Assets</b>		
	Prepayments	87,495	54,092
		<u>=====</u>	<u>=====</u>

<b>Note 6</b>	<b>Other Financial Assets</b>		
	<b>Investments - Current</b>		
	Satisfac Deposits	3,865,468	3,582,403
	Bank SA:		
	Short Term Money Market	352,737	302,763
	Bank Bills	1,640,910	1,528,544
	Staff Computer Loans	1,918	4,925
	Member Emergency Relief Loans	200	-
		<u>5,861,233</u>	<u>5,418,635</u>
		<u>=====</u>	<u>=====</u>

---

**Investments - Non-current**

	Satisfac Credit Union Share		
	- at cost	2	2
		<u>==</u>	<u>==</u>

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

**NOTES TO AND FORMING OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2007 (CONT.)**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>Note 7      Property, Plant &amp; Equipment</b>		
Land and Buildings		
An independent valuation of the land and buildings was undertaken on 31 <sup>st</sup> 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	(153,500)	(115,125)
	<u>3,746,500</u>	<u>3,784,875</u>
Porter Street – at independent valuation	380,000	380,000
Accumulated Depreciation	(16,400)	(12,300)
	<u>363,600</u>	<u>367,700</u>
Works of Art – at cost	<u>36,300</u>	<u>36,300</u>
Plant & Equipment - at cost	640,121	674,791
Accumulated Depreciation	(408,662)	(387,535)
	<u>231,459</u>	<u>287,256</u>
Furniture and Fittings - at cost	135,653	133,308
Accumulated Depreciation	(120,149)	(117,378)
	<u>15,504</u>	<u>15,930</u>
Motor Vehicles - at cost	308,927	305,400
Accumulated Depreciation	(79,886)	(85,026)
	<u>229,041</u>	<u>220,374</u>
<b>Total property, plant &amp; equipment</b>	<u><u>4,622,404</u></u>	<u><u>4,712,435</u></u>

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

**NOTES TO AND FORMING OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2007 (CONT.)**

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

	<b><u>2007</u></b>						
	G/Hill Rd	Porter St	Work of Art	Plant & Equipment	Furniture & Fittings	Motor Vehicles	Total
Opening WDV	3,784,875	367,700	36,300	287,256	15,930	220,374	4,712,435
Additions – cost	-	-	-	49,100	2,345	73,164	124,609
Disposals	-	-	-	-	(131)	(27,527)	(27,658)
Depreciation	(38,375)	(4,100)	-	(104,897)	(2,640)	(36,970)	(187,182)
Closing WDV	<u>3,746,500</u>	<u>363,600</u>	<u>36,300</u>	<u>231,459</u>	<u>15,504</u>	<u>229,041</u>	<u>4,622,404</u>

	<b><u>2006</u></b>						
	G/Hill Rd	Porter St	Work of Art	Plant & Equipment	Furniture & Fittings	Motor Vehicles	Total
Opening WDV	3,823,250	371,800	36,300	210,719	16,747	212,358	4,671,174
Additions – cost	-	-	-	167,295	1,698	92,080	261,073
Disposals	-	-	-	(1,523)	-	(43,400)	(44,923)
Depreciation	(38,375)	(4,100)	-	(89,235)	(2,515)	(40,664)	(174,889)
Closing WDV	<u>3,784,875</u>	<u>367,700</u>	<u>36,300</u>	<u>287,256</u>	<u>15,930</u>	<u>220,374</u>	<u>4,712,435</u>

**Note 8      Trade and other Payables**

	<b><u>2007</u></b>	<b><u>2006</u></b>
	\$	\$
Accrued Expenses	478,908	388,720
Subscriptions in advance	384,419	389,095
	<u>863,327</u>	<u>777,815</u>
	=====	=====

Note: Accrued Expenses include \$15,463 (2006 \$19,488) in relation to salary and oncost obligations for Elected Officers and \$8,502 (2006 \$949) in relation to legal costs.

**Note 9      Provisions**

**Current**

Provision for Annual Leave

Elected Officers	43,457	83,107
Other employees	388,798	335,952
	<u>442,255</u>	<u>419,059</u>

Provision for Long Service Leave

Elected Officers	51,542	36,000
Other employees	687,940	556,336
	<u>739,482</u>	<u>592,336</u>

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

**NOTES TO AND FORMING OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2007(CONT.)**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>Note 9          Provisions (cont.)</b>		
Provision for Sick Leave		
Elected Officers	1,500	1,500
Other employees	48,500	48,500
	<u>50,000</u>	<u>50,000</u>
	<u>1,231,737</u>	<u>1,061,395</u>
	=====	=====

**Non Current**

Provision for Long Service Leave		
Elected Officers	3,215	1,272
Other employees	19,052	14,327
	<u>22,267</u>	<u>15,599</u>
	=====	=====

**Note 10          Cash Flows**

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

Net (Loss)/Profit	143,971	294,980
Depreciation:		
- Motor Vehicles	36,970	40,664
- Furniture & Fittings	2,771	2,515
- Plant & Equipment	104,897	89,235
- Buildings	42,475	42,475
(Loss)/Gain on Sale of Equipment	-	5,973
Change in Assets and Liabilities:		
(Increase)/Decrease in Trade Debtors	(9,213)	3,763
Increase in Provision for Doubtful Debts	-	-
(Increase)/Decrease in Sundry Debtors	25,788	(22,410)
Decrease/(Increase) in Prepayments	(33,403)	2,700
(Decrease)/Increase in Payables	76,949	(60,754)
Increase in Provision for Annual Leave	(23,196)	46,637
(Decrease)/Increase in Provision for Long Service Leave	77,305	74,778
<b>Net Cash Provided by Operating Activities</b>	<u>591,043</u>	<u>520,556</u>
	=====	=====

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2007 (CONT.)**

	2007	2006
	\$	\$
<b>Note 10      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	285,221	224,632
	<u>285,721</u>	<u>225,132</u>
	=====	=====
 <b>c)      Credit Stand-by Arrangements and Loan Facility</b>		
The Union has no credit stand-by arrangements or loan facilities in place.		
 <b>d)      Non-Cash Financing and Investments Activities</b>		
There were no non-cash financing and investing activities during the year.		
 <b>e)      Cash flows with other AEU branches</b>		
Cash received from:		
AEU Federal Office	1,882	-
AEU (VIC Branch)	198	-
AEU (ACT Branch)	198	-
AEU (QLD Branch)	495	-
AEU (NSW Branch)	792	-
	<u>3,565</u>	<u>-</u>
	=====	=====
Cash paid to:		
AEU Federal Office	663,189	532,522
AEU (Victorian Branch)	17	-
	<u>663,206</u>	<u>532,522</u>
	=====	=====

**Note 11      Auditor's Remuneration**

Amounts received or due and receivable  
by auditors for:

- auditing or reviewing the financial report	11,475	11,475
- other services	-	-
	<u>11,475</u>	<u>11,475</u>
	=====	=====

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2007 (CONT.)**

	2007	2006
	\$	\$
<b>Note 12</b>		
<b>Related Party Transactions</b>		

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 (President)	Janice Webber (Vice President)
Marcus Knill (Vice President)	John (Jack) Major (Branch Secretary)
Richard Baxter	Jacqueline Bone-George
Nicolas Cava	David Coulter
Daniel Ellis	Stephen Errock
Alice Haberfield (Treasurer)	John Hunter
Pam Kent	Julie Masters
Clare McCarty	Helen O'Connor
Daniel Pereira	David Smith
Katrina Spencer	Christine Waugh
Michael Williss	Bronwen Young

The aggregate amount of remuneration directly or indirectly received or receivable for the year ended 31st December 2007, whether as an Executive member or otherwise, from the reporting entity in connection with the management of the reporting entity, was \$415,608 (2006 \$360,928). The aggregate amounts paid during the year ended 31st December 2007 to a superannuation plan or other entity by the reporting entity in connection with the retirement of Executive members of the reporting entity was \$52,056 (2006 \$78,279).

**Note 13**      **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 44.84.

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2007 (CONT.)**

**Note 14 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>2007</u>	Fixed interest Maturing in			
	Floating Interest rate	1 year or less	1 to 2 years	Non interest bearing	Total
<b>Financial assets</b>					
Cash on hand and in banks	285,721	-	-	500	286,221
Investments – other than public investments	352,737	5,506,378		-	5,859,115
Trade and other debtors	-	-	-	199,578	199,578
	<u>638,458</u>	<u>5,506,378</u>	<u>-</u>	<u>200,078</u>	<u>6,344,914</u>
Weighted average interest rate	4.18%	5.8%	6.5%		
<b>Financial Liabilities</b>					
Accrued Expenses	-	-	-	478,908	478,908
Subscriptions in advance	-	-	-	384,419	384,419
	<u>-</u>	<u>-</u>	<u>-</u>	<u>863,327</u>	<u>863,327</u>

	<u>2006</u>	Fixed interest Maturing in			
	Floating Interest rate	1 year or less	1 to 2 years	Non interest bearing	Total
<b>Financial assets</b>					
Cash on hand and in banks	224,632	-	-	500	225,132
Investments – other than public investments	302,763	5,110,947	-	-	5,413,710
Trade and other debtors	-	-	-	182,638	182,638
	<u>527,395</u>	<u>5,110,947</u>	<u>-</u>	<u>183,138</u>	<u>5,821,480</u>
Weighted average interest rate	3.07%	6.5%			
<b>Financial Liabilities</b>					
Accrued Expenses	-	-	-	388,720	388,720
Subscriptions in advance	-	-	-	389,095	389,095
	<u>-</u>	<u>-</u>	<u>-</u>	<u>777,815</u>	<u>777,815</u>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2007 (CONT.)**

**Note 14      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.

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## **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)

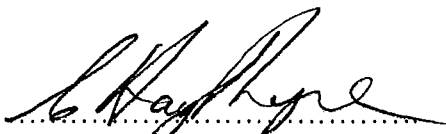
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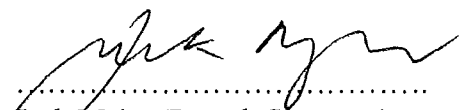
## AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

### COMMITTEE OF MANAGEMENT STATEMENT

We, Correna Haythorpe 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 26<sup>th</sup> May 2008, 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 2007 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) 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.
- (f) The branch has not undertaken recovery of wages activity.

  
Correna Haythorpe (President)

  
Jack Major (Branch Secretary)

Dated 27.5.08



EdwardsMarshall

**THE AUSTRALIAN EDUCATION UNION (SA BRANCH)**

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF THE AUSTRALIAN EDUCATION UNION (SA BRANCH)**

**Report on the Financial Report**

We have audited the accompanying financial report of the Australian Education Union (SA Branch) ("the Union") which comprises the balance sheet as at 31 December 2007 and the income statement, cash flow statement, statement of changes in equity, accompanying notes to the financial statements, and the Committee of Management's statement.

**Committee of Management's Responsibility for the Financial Report**

The Committee of Management of the Union is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Workplace Relations Act, 1996. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report, ensuring that it is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Independence**

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

**Auditor's Opinion**

In our opinion, the financial report of The Australian Education Union (SA Branch) is in accordance with the Workplace Relations Act, 1996 including:

- (a) Presents fairly the Union's financial position as of 31 December 2007 and of its financial performance for the year ended on that date;
- (b) Complies with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Workplace Relations Act, 1996; and
- (c) any other requirements imposed by the Reporting Guidelines made under section 255 of Schedule 1B (the RAO Schedule) of the Workplace Relations Act 1996, or Part 3 of Chapter 8 of the RAO Schedule.

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

Edwards Marshall  
Chartered Accountants

Jamie Drechow  
Chartered Accountant - (Partner)  
Registered Company Auditor 222051

Adelaide  
South Australia  
Dated 27 May 2008

Angas House, 4 - 8 Angas Street  
Kent Town, South Australia 5067  
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DX 240 Adelaide  
Telephone 08 8139 1111  
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*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 Drechow CA  
Geoffrey R Kay FCA  
Benjamin L T Miels FCA  
Grantley W Stevens FCA

*Senior Employees*

Kym C Davis CA  
Paul A Dutton CA  
Belinda C Goedecke FCA  
Karen R Gregor CA  
Leanne E Thomas CA  
Carly Thornton CA  
Martin D White CA  
Nicholas K Wilkins FCA

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

**DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2007**

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 this concise report is provided for members in accordance with the Act.

This concise financial report of the Union for the year ended 31<sup>st</sup> December 2007 has been derived from the full report and cannot be expected to provide as full an understanding of the financial performance, financial position and financial and investing activities of the reporting unit as the full report. A copy of the full report and the auditor's report will be sent to any member, free of charge, upon request.

**The principal factors affecting the financial position of the union during the reporting period include increased costs arising from enterprise bargaining negotiations and changes to union publications and the delay in passing on increases in membership subscriptions until new salary rates were paid by employers.**

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, 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)



JACK MAJOR  
Branch Secretary

Dated: 27.5.08

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**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)  
OPERATING REPORT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2007**

The Committee of the Management present their report on the Australian Education Union (SA Branch) for the year ended 31<sup>st</sup> December 2007.

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

Andrew Gohl	(President)	
Janice Webber	(Vice President)	
Marcus Knill	(Vice President)	
John (Jack) Major	(Branch Secretary)	
Alice Haberfield	(Treasurer)	
Richard Baxter	Jacqueline Bone-George	Nicolas Cava
Daniel Ellis	Stephen Errock	John Hunter
Pam Kent	Julie Masters	Clare McCarty
Helen O'Connor	David Smith	Katrina Spencer
Christine Waugh	Michael Williss	Bronwen Young

Note: All Committee Members served a 2 year term of office ending 31 December 2007, except for the four members listed below.

Mike Williss resigned on 2/6/07 and was replaced by Daniel Pereira from 18/8/07.

Bronwen Young resigned on 31/12/06 and was replaced by David Coulter from 31/3/07.

Office holders are listed at the beginning of the Committee Member list. All other Committee Members are known as Ordinary Branch Executive Members.

No officer or member of the Branch is

- (i) a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (ii) a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme;

where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation.

The principal activity of the Union during the year was operating as a trade union in the Education industry within South Australia.

During the course of 2007 a major activity was the union's participation in the ACTU Your Rights at Work campaign which contributed to the defeat of the Howard Government in the Federal Election held on 24 November 2007. Extensive consultation with members of the union during the course of 2007 led to the endorsement of a comprehensive Enterprise Bargaining Log of Claims by Branch Council on 1 December 2007 in preparation for negotiation for a new Enterprise Agreement for members covered by the South Australian Education Staff (Government preschools, schools and TAFE) Enterprise Agreement 2006 early in 2008.

The financial results of those activities are a surplus of \$167,462.

There has been no significant change in the Union's financial affairs during the year.

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The number of members as at 31<sup>st</sup> December 2007 was 12,993.

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

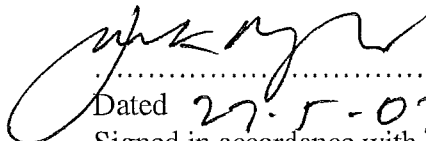
- (3) A member may resign from membership of the Union by written notice addressed to and delivered to the Secretary of the Branch to which the member is attached.

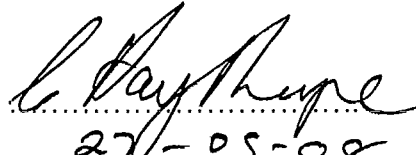
- (4) A notice of resignation from membership takes effect:-

- (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 31<sup>st</sup> December 2007 were employees of the Branch measured on a full time equivalent basis was 44.84.

  
.....  
Dated 27.5.08  
Signed in accordance with a resolution of the Executive Committee

  
.....  
27-05-08

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

**INCOME STATEMENT  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2007**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
Revenues	6,624,641	6,213,621
Expenses		
Governance	655,890	647,058
Administration & Personnel	1,145,434	877,288
Operations	3,016,342	2,939,331
Other Member Operations	1,234,275	1,100,623
Property	405,238	354,341
	<u>6,457,179</u>	<u>5,918,641</u>
Net (Loss) / Profit	<u>167,462</u>	<u>294,980</u>
	<u>=====</u>	<u>=====</u>

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

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2007**

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 <sup>st</sup> January 2005	6,615,473	2,015,375	8,630,848
(Loss) attributable to members of the Union	(246,720)	-	(246,720)
Balance at 31 <sup>st</sup> December 2005	<u>6,368,753</u>	<u>2,015,375</u>	<u>8,384,128</u>
Profit attributable to members of the Union	294,980	-	294,980
Balance as 31 <sup>st</sup> December 2006	<u>6,663,733</u>	<u>2,015,375</u>	<u>8,679,108</u>
Profit attributable to members of the Union	167,462	-	167,462
Balance as 31 <sup>st</sup> December 2007	<u><u>6,831,195</u></u>	<u><u>2,015,375</u></u>	<u><u>8,846,570</u></u>

# AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

## BALANCE SHEET AS AT 31ST DECEMBER 2007

	2007 \$	2006 \$
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	285,721	225,132
Receivables	107,046	123,621
Other current assets	87,495	54,092
Other Financial Assets	5,861,233	5,418,635
<b>Total Current Assets</b>	<u>6,341,495</u>	<u>5,821,480</u>
<b>NON-CURRENT ASSETS</b>		
Property, Plant and Equipment	4,622,404	4,712,435
Financial Assets	2	2
<b>Total Non-Current Assets</b>	<u>4,622,406</u>	<u>4,712,437</u>
<b>TOTAL ASSETS</b>	<u>10,963,901</u>	<u>10,533,917</u>
<b>CURRENT LIABILITIES</b>		
Trade and other Payables	863,327	777,815
Short – term Provisions	1,231,737	1,061,395
<b>Total Current Liabilities</b>	<u>2,095,064</u>	<u>1,839,210</u>
<b>NON CURRENT LIABILITIES</b>		
Long – term Provisions	22,267	15,599
<b>Total Non Current Liabilities</b>	<u>22,267</u>	<u>15,599</u>
<b>TOTAL LIABILITIES</b>	<u>2,117,331</u>	<u>1,854,809</u>
<b>NET ASSETS</b>	<u>8,846,570</u>	<u>8,679,108</u>
	=====	=====
<b>EQUITY</b>		
Asset Revaluation Reserve	2,015,375	2,015,375
Retained Earnings	6,831,195	6,663,733
<b>TOTAL EQUITY</b>	<u>8,846,670</u>	<u>8,679,108</u>
	=====	=====

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

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST DECEMBER 2007**


	<b>2007</b>	<b>2006</b>
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Subscriptions	6,699,704	6,423,008
Journal Subscriptions & Advertising	38,388	44,854
Payments to Suppliers and Employees	(6,248,789)	(5,985,204)
Rent & Room Hire	76,643	69,516
Interest Received	412,459	303,527
Other Income	14,678	20,508
Net GST Payable	(402,045)	(355,653)
<b>Net Cash Provided by Operating Activities</b>	<u>591,043</u>	<u>520,556</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for Property, Plant and Equipment	(124,608)	(261,072)
Proceeds from Sale of Equipment	38,809	38,950
Redemptions from/(Deposits to) Investments	(442,598)	(266,768)
Staff/Member Loans Issued	(1,875)	(5,202)
Payments Received on Staff/Member Loans	1,818	7,050
<b>Net Cash Used in Investing Activities</b>	<u>(530,454)</u>	<u>(487,043)</u>
Net Increase/(Decrease) in Cash Held	60,589	33,513
Cash at the Beginning of the Reporting Period	225,132	191,619
<b>Cash at the End of the Reporting Period</b>	<u>285,721</u> =====	<u>225,132</u> =====

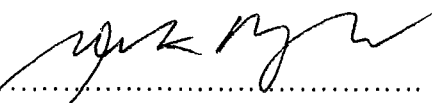
## AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

### COMMITTEE OF MANAGEMENT STATEMENT

We, Correna Haythorpe 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 26<sup>th</sup> May 2008, 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 2007 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.
- (f) The branch has not undertaken recovery of wages activity.

  
Correna Haythorpe (President)

  
Jack Major (Branch Secretary)

Dated 27.15.08



EdwardsMarshall

**THE AUSTRALIAN EDUCATION UNION (SA BRANCH)**

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF THE AUSTRALIAN EDUCATION UNION (SA BRANCH)**

**Report on the Concise Financial Report**

We have audited the accompanying concise financial report of the Australian Education Union (SA Branch) ("the Union"), which comprises the balance sheet as at 31 December 2007 and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and the Committee of Management's statement.

**Committee of Management's responsibility for the Concise Financial Report**

The Committee of Management are responsible for the preparation and presentation of the concise financial report in accordance with Australian Accounting Standard AASB 1039: Concise Financial Reports (including the Australian Accounting Interpretations), statutory and other requirements. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the concise financial report, ensuring that it is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the concise financial report based on our audit. We conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of the Australian Education Union (SA Branch) for the year ended 31 December 2007. Our audit report on the financial report for the year was signed on 27 May 2008 and was not subject to any modification. The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

Our procedures in respect of the concise financial report included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting standard AASB 1039: Concise Financial Reports and whether the discussion and analysis complies with the requirements laid down in AASB 1039: Concise Financial Reports.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Independence**

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

**AUDITOR'S OPINION**

In our opinion,

- (a) the information reported in the concise 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 2008;
- (b) the concise financial report including the discussion and analysis of the Australian Education Union (SA Branch) for the year ended 31 December 2007 complies with Accounting Standard AASB 1039: Concise Financial Reports;
- (c) the general purpose financial report from which the concise report is derived presents fairly the Union's financial position as of 31 December 2007 and of its financial performance for the year ended on that date, complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Workplace Relations Act, 1996, the Reporting Guidelines and any other requirements of Chapter 8, Part 3 of the RAO Schedule.

The audit report on the full annual statutory financial report did not contain any particulars of any deficiency or shortcomings as referred to in the Workplace Relations Act 1996.

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.

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

Edwards Marshall

Chartered Accountants

Jamie Dreckow

Chartered Accountant - (Partner)

Registered Company Auditor 222051

Adelaide South Australia

Dated 27 May 2008

AUST004

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Noel W Clifford FCA  
Jamie T Dreckow CA  
Geoffrey R Kay FCA  
Benjamin L T Miels FCA  
Grantley W Stevens FCA

*Senior Employees*

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Paul A Dutton CA  
Belinda C Goedecke FCA  
Karen R Gregor CA  
Leanne E Thomas CA  
Carly Thornton CA  
Martin D White CA  
Nicholas K Wilkins FCA