



# Fair Work Australia

10 September 2009

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

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

Dear Mr Major

**Re: Fair Work (Registered Organisations) Act 2009 (RO Act)  
Financial report for year ended 31 December 2008 – FR2008/628**

I acknowledge receipt of the financial report and concise report for the South Australian Branch of the Australian Education Union for the year ended 31 December 2008. The documents were lodged in the Industrial Registry on 30 June 2009.

Based on the information provided and noting some dates on the secretary's certificate dated 25 June 2009 had mistakenly referred to the incorrect year, such as 22 June 2007 should read 22 June 2009, 19 May 2008 should read 19 May 2009 and 20 May 2008 should read 20 May 2009 – the documents have now been filed.

Please note for future reference, the *Fair Work (Registered Organisations) Act 2009* and the *Fair Work (Registered Organisations) Regulations 2009* commenced on 1 July 2009. The Act was formerly Schedule 1 of the *Workplace Relations Act 1996* and the Regulations were formerly the *Workplace Relations (Registration and Accountability of Organisations) Regulations 2003*. The section numbering remains the same and generally, the content of the legislation remains unchanged with the exception of the Industrial Registrar and the Deputy Industrial Registrar having been replaced with the General Manager and the Delegate to the General Manager, respectively.

If you have any questions regarding your reporting unit's financial reporting obligations I may be contacted on (03) 8661 7989 or by email at [cynthia.lobooth@fwa.gov.au](mailto:cynthia.lobooth@fwa.gov.au)

Yours sincerely

Cynthia Lo-Booth  
Tribunal Services and Organisations



## 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:

25 June 2009

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 and Concise Report, Committee of Management Statements, Operating Reports and Auditor's Reports for the financial year ended 31 December 2008, are copies of the documents that were so presented to a meeting of the Committee of Management of the Australian Education Union (SA Branch) held on 22 June 2007.

By resolution of the Committee of Management on 11 May 2009 a Concise Report of the financial statements was published on the AEU (SA Branch) website on 19 May 2008, and all members were advised of publication on the website by notice in the AEU Journal published on 20 May 2008, copies of which are provided free of charge to all members of the Australian Education Union (SA Branch.)

Yours sincerely

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

JACK MAJOR  
Branch Secretary

Encl.

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

**DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2008**

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 and in accordance with a resolution passed by the Committee of Management on 11<sup>th</sup> May 2009.

This concise financial report of the Union for the year ended 31<sup>st</sup> December 2008 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 campaigning around these issues.**

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: 15 May 2009.

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)  
OPERATING REPORT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2008**

The Committee of the Management present their report on the Australian Education Union (SA Branch) for the year ended 31<sup>st</sup> December 2008.

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

Correna Haythorpe	(President)	
Anne Crawford	(Vice President)	
Marcus Knill	(Vice President)	
John (Jack) Major	(Branch Secretary)	
David Smith	(Treasurer)	
Richard Baxter	Jacqueline Bone-George	David Coulter
Daniel Ellis	Andrew Gohl	Katrina Hanlin
Kelvin Jeanes	Lara Kelly	Lesley Lindsay-Taylor
Ray Marino	Donald Peter	Peter Trethewey
Christine Waugh	Jan Webber	Lorraine Young

Note: All Committee Members are serving a 2 year term of office ending 31 December 2009. 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 2008 a major activity was the union's lodging of an enterprise bargaining claim on behalf of AEU members employed in South Australian government preschools, schools and TAFE institutes and participation in bargaining negotiations with representatives of the South Australian Government. Following the breakdown of negotiations and a period of Industrial Commission supervised mediation the matter was referred to arbitration in the Industrial Relations Commission of SA.

The financial results of those activities are a surplus of \$429,241.

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 2008 was 13,764.

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

"17 - Resignation from membership and termination of eligibility

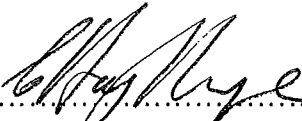
- (3) A member may resign from membership of the Union by written notice addressed to and delivered to the Secretary of the Branch to which the member is attached.
- (4) A notice of resignation from membership takes effect:-
  - (a) where the member ceases to be eligible to become a member of the Union -
    - (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 -

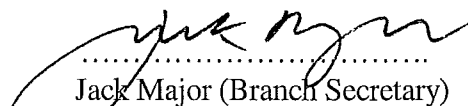
(i) at the end of 2 weeks after the notice is received at the office of the relevant Branch Secretary; or

(ii) on the day specified in the notice;

whichever is later.

The number of persons who as at 31<sup>st</sup> December 2008 were employees of the Branch measured on a full time equivalent basis was 40.78.

  
.....  
Correna Haythorpe (President)

  
.....  
Jack Major (Branch Secretary)

Dated 15 May 2009.

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 2008**

	2008	2007
	\$	\$
Revenues	6,910,966	6,624,641
Expenses		
Governance	724,838	655,890
Administration & Personnel	767,425	1,145,434
Operations	3,416,112	3,016,342
Other Member Operations	1,167,510	1,234,275
Property	405,840	405,238
	<u>6,481,725</u>	<u>6,457,179</u>
Net (Loss) / Profit	<u>429,241</u> =====	<u>167,462</u> =====

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

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2008**

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 31 <sup>st</sup> December 2006	6,663,733	2,015,375	8,679,108
Profit attributable to members of the Union	167,462	-	167,462
Balance as 31 <sup>st</sup> December 2007	<u>6,831,195</u>	<u>2,015,375</u>	<u>8,846,570</u>
Revaluation of property	-	1,412,393	1,412,393
Profit attributable to members of the Union	429,241	-	429,241
Balance as 31 <sup>st</sup> December 2008	<u><u>7,260,436</u></u>	<u><u>3,427,768</u></u>	<u><u>10,688,204</u></u>

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

**BALANCE SHEET AS AT 31ST DECEMBER 2008**

	2008	2007
	\$	\$
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	36,927	285,721
Receivables	143,581	107,046
Other current assets	62,144	87,495
Other Financial Assets	6,490,249	5,861,233
<b>Total Current Assets</b>	<u>6,732,901</u>	<u>6,341,495</u>
<b>NON-CURRENT ASSETS</b>		
Property, Plant and Equipment	6,006,346	4,622,404
Financial Assets	2	2
<b>Total Non-Current Assets</b>	<u>6,006,348</u>	<u>4,622,406</u>
<b>TOTAL ASSETS</b>	<u>12,739,249</u>	<u>10,963,901</u>
<b>CURRENT LIABILITIES</b>		
Trade and other Payables	885,399	863,327
Short – term Provisions	1,150,180	1,231,737
<b>Total Current Liabilities</b>	<u>2,035,579</u>	<u>2,095,064</u>
<b>NON CURRENT LIABILITIES</b>		
Long – term Provisions	15,466	22,267
<b>Total Non Current Liabilities</b>	<u>15,466</u>	<u>22,267</u>
<b>TOTAL LIABILITIES</b>	<u>2,051,045</u>	<u>2,117,331</u>
<b>NET ASSETS</b>	<u>10,688,204</u>	<u>8,846,570</u>
<b>EQUITY</b>		
Asset Revaluation Reserve	3,427,768	2,015,375
Retained Earnings	7,260,436	6,831,195
<b>TOTAL EQUITY</b>	<u>10,688,204</u>	<u>8,846,670</u>



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

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST DECEMBER 2008**


	<b>2008</b>	<b>2007</b>
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Subscriptions	6,968,543	6,699,704
Journal Subscriptions & Advertising	40,885	38,388
Payments to Suppliers and Employees	(6,640,413)	(6,248,789)
Rent & Room Hire	86,580	76,643
Interest Received	445,261	412,459
Other Income	5,042	14,678
Net GST Payable	(378,256)	(402,045)
	<hr/>	<hr/>
<b>Net Cash Provided by Operating Activities</b>	<b>527,642</b>	<b>591,043</b>
	<hr/>	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for Property, Plant and Equipment	(177,904)	(124,608)
Proceeds from Sale of Equipment	30,484	38,809
Deposits to Investments	(623,681)	(442,598)
Staff/Member Loans Issued	(8,423)	(1,875)
Payments Received on Staff/Member Loans	3,088	1,818
	<hr/>	<hr/>
<b>Net Cash Used in Investing Activities</b>	<b>(776,436)</b>	<b>(530,454)</b>
	<hr/>	<hr/>
Net Increase/(Decrease) in Cash Held	(248,794)	60,589
Cash at the Beginning of the Reporting Period	285,721	225,132
	<hr/>	<hr/>
<b>Cash at the End of the Reporting Period</b>	<b>36,927</b>	<b>285,721</b>
	=====	=====

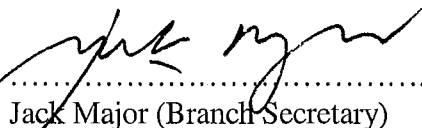
## AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

### 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 11<sup>th</sup> May 2009, 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 2008 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 15 May 2009.



EdwardsMarshall

Level 3, 153 Flinders Street  
Adelaide, South Australia 5000  
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 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 2008 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 2008. Our audit report on the financial report for the year was signed on 15 May 2009 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.



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

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

**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 15 May 2009;
- (b) the concise financial report including the discussion and analysis of the Australian Education Union (SA Branch) for the year ended 31 December 2008 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 2008 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 15 May 2009

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)  
OPERATING REPORT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2008**

The Committee of the Management present their report on the Australian Education Union (SA Branch) for the year ended 31<sup>st</sup> December 2008.

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

Correna Haythorpe	(President)	
Anne Crawford	(Vice President)	
Marcus Knill	(Vice President)	
John (Jack) Major	(Branch Secretary)	
David Smith	(Treasurer)	
Richard Baxter	Jacqueline Bone-George	David Coulter
Daniel Ellis	Andrew Gohl	Katrina Hanlin
Kelvin Jeanes	Lara Kelly	Lesley Lindsay-Taylor
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Note: All Committee Members are serving a 2 year term of office ending 31 December 2009. 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

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- (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 2008 a major activity was the union's lodging of an enterprise bargaining claim on behalf of AEU members employed in South Australian government preschools, schools and TAFE institutes and participation in bargaining negotiations with representatives of the South Australian Government. Following the breakdown of negotiations and a period of Industrial Commission supervised mediation the matter was referred to arbitration in the Industrial Relations Commission of SA.

The financial results of those activities are a surplus of \$429,241.

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 2008 was 13,764.

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

"17 - Resignation from membership and termination of eligibility

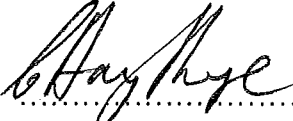
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    - (i) on the day on which the notice is received at the office of the relevant Branch Secretary; or
    - (ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;
  - 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;

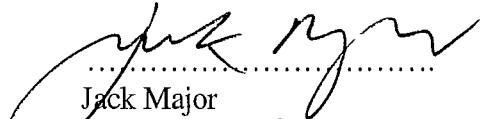
whichever is later.

The number of persons who as at 31<sup>st</sup> December 2008 were employees of the Branch measured on a full time equivalent basis was 40.78.



Correna Haythorpe

Dated 15 May 2009



Jack Major

Dated 15 May 2009

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 2008**

	Note	2008 \$	2007 \$
Revenues	2	6,910,966	6,624,641
Expenses			
Governance		724,838	655,890
Administration & Personnel		767,425	1,145,434
Operations		3,416,112	3,016,342
Other Member Operations		1,167,510	1,234,275
Property		405,840	405,238
	2	<u>6,481,725</u>	<u>6,457,179</u>
Net (Loss) / Profit		<u>429,241</u> =====	<u>167,462</u> =====

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 2008**

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 31 <sup>st</sup> December 2006	6,663,733	2,015,375	8,679,108
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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 2008**

	Notes	2008 \$	2007 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	36,927	285,721
Receivables	4	143,581	107,046
Other current assets	5	62,144	87,495
Other Financial Assets	6	6,490,249	5,861,233
<b>Total Current Assets</b>		<u>6,732,901</u>	<u>6,341,495</u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	7	6,006,346	4,622,404
Financial Assets	6	2	2
<b>Total Non-Current Assets</b>		<u>6,006,348</u>	<u>4,622,406</u>
<b>TOTAL ASSETS</b>		<u>12,739,249</u>	<u>10,963,901</u>
<b>CURRENT LIABILITIES</b>			
Trade and other Payables	8	885,399	863,327
Short – term Provisions	9	1,150,180	1,231,737
<b>Total Current Liabilities</b>		<u>2,035,579</u>	<u>2,095,064</u>
<b>NON CURRENT LIABILITIES</b>			
Long – term Provisions	9	15,466	22,267
<b>Total Non Current Liabilities</b>		<u>15,466</u>	<u>22,267</u>
<b>TOTAL LIABILITIES</b>		2,051,045	2,117,331
<b>NET ASSETS</b>		<u>10,688,204</u> =====	<u>8,846,570</u> =====
<b>EQUITY</b>			
Asset Revaluation Reserve		3,427,768	2,015,375
Retained Earnings		7,260,436	6,831,195
<b>TOTAL EQUITY</b>		<u>10,688,204</u> =====	<u>8,846,670</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 2008**

	Note	2008 \$	2007 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Subscriptions		6,968,543	6,699,704
Journal Subscriptions & Advertising		40,885	38,388
Payments to Suppliers and Employees		(6,640,413)	(6,248,789)
Rent & Room Hire		86,580	76,643
Interest Received		445,261	412,459
Other Income		5,042	14,678
Net GST Payable		(378,256)	(402,045)
<b>Net Cash Provided by Operating Activities</b>	10	<u>527,642</u>	<u>591,043</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for Property, Plant and Equipment		(177,904)	(124,608)
Proceeds from Sale of Equipment		30,484	38,809
Deposits to Investments		(623,681)	(442,598)
Staff/Member Loans Issued		(8,423)	(1,875)
Payments Received on Staff/Member Loans		3,088	1,818
<b>Net Cash Used in Investing Activities</b>		<u>(776,436)</u>	<u>(530,454)</u>
Net Increase/(Decrease) in Cash Held		(248,794)	60,589
Cash at the Beginning of the Reporting Period		285,721	225,132
<b>Cash at the End of the Reporting Period</b>	10	<u><u>36,927</u></u>	<u><u>285,721</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 2008**

**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 financial report was authorised for issue on 11<sup>th</sup> May 2009 by the Branch Executive.

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> October 2008. 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 2008 (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 2008. 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.

**(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.

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2008 (CONT.)**

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

**(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.

**(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.

**(l) Asset Revaluation Reserve**

The Asset Revaluation Reserve records revaluation of non-current assets.

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2008 (CONT.)**

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

**(m) Financial Instruments**

**Recognition and Initial Measurement**

Financial instruments, incorporating financial assets are recognised when the entity becomes a party to the contractual provisions of the instrument. Settlement date accounting is adopted for financial assets. Financial instruments are initially measured at fair value plus transactions costs. Financial instruments are classified and measured as set out below:

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the union's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated with the asset.

**(n) Change in Accounting Policy**

<b>AASB Amendment</b>	<b>Standards Affected</b>	<b>Outline of Amendment</b>	<b>Application date of Standard</b>	<b>Application date for Union</b>	
AASB 2007-3 Amendments to Australian Accounting Standards	AASB 107	Cash Flow Statements	The disclosure requirements of AASB 114: Segment Reporting have been replaced due to the issuing of AASB 8: Segment Reporting in February 2007.	1.1.2009	1.1.2009
	AASB 119	Employee Benefits	These amendments will involve changes to segment reporting disclosures within the financial report. However, it is anticipated there will be no direct impact on recognition and measurement criteria amounts included in the financial report, as the entity does not fall within the scope of AASB 8.		
	AASB 127	Consolidated and Separate Financial Statements			
AASB 136	Impairment of Assets				

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2008 (CONT.)**

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

**(n) Change in Accounting Policy (cont.)**

AASB 2007-6 Amendments to Australian Accounting Standards	AASB 1	First time adoption of AIFRS	The revised AASB 123: Borrowing Costs issued in June 2007 has removed the option to expense all borrowing costs. This amendment will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. However, there will be no direct impact to the amounts included in the financial group as they already capitalise borrowing costs related to qualifying assets.	1.1.2009	1.1.2009
	AASB 107	Cash Flow Statements			
	AASB 116	Property, Plant and Equipment			
	AASB 138	Intangible Assets			
AASB 123 Borrowing Costs	AASB 123	Borrowing Costs	As above	1.1.2009	1.1.2009
AASB 2007-8 Amendments to Australian Accounting Standards	AASB 101	Presentation of Financial Statements	The revised AASB 101: Presentation of Financial Statements issued in September 2007 requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity.	1.1.2009	1.1.2009
AASB 101	AASB 101	Presentation of Financial Statements	As above	1.1.2009	1.1.2009

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2008 (CONT.)**

Note 2	Net Profit	2008	2007
		\$	\$
	<b>The Net Profit includes the following items of Revenue and Expense.</b>		
	<b>REVENUE</b>		
	Subscriptions	6,319,073	6,106,983
	Interest	479,388	387,286
	Rent	48,076	46,089
	Room Hire	29,810	30,554
	(Loss)/Profit on sale of Plant & Equipment	(7,725)	663
	Other Income	2,891	14,678
	Journal Advertising & Subscriptions	39,453	38,388
	<b>TOTAL REVENUE</b>	<u>6,910,966</u>	<u>6,624,641</u>
	<b>EXPENSES</b>		
	<b>GOVERNANCE</b>		
	Branch, Area & Divisional Council Meetings	87,939	82,623
	Sub-branch Administration Grants	6,436	7,490
	Committee Expenses & Communication to Members	43,347	42,445
	Executive Expenses	26,642	24,758
	Donations	500	450
	Entertainment & Travel	32,158	17,690
	Travel sustentation	712	92
	Executive Allowances	4,000	3,750
	Salaries and related costs of Elected Officers	523,104	476,592
	<b>TOTAL GOVERNANCE</b>	<u>724,838</u>	<u>655,890</u>



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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2008 (CONT.)**

Note 2	Net Profit (cont.)	2008 \$	2007 \$
	<b>ADMINISTRATION &amp; PERSONNEL</b>		
	Accountancy & Audit	15,500	11,800
	Bank Fees	55,957	54,597
	Doubtful Debts	(310)	-
	Bad Debts	-	68
	Entertainment & Travel	2,957	2,232
	Fringe Benefits Tax	5,100	4,431
	Insurance	3,843	3,830
	Internet Access & Website	18,211	10,783
	Legal Fees	2,325	-
	Machine Maintenance	21,836	17,384
	Postage	8,475	8,620
	Printing & Stationery	19,906	26,478
	Provision for Annual Leave	(735)	54,500
	Provision for Long Service Leave	(87,412)	125,281
	Recruitment & Training	19,065	31,372
	Travel sustentation	-	-
	Salaries and related costs	535,324	577,912
	Computer Expenses	34,056	139,725
	Sundry Expenses	10,898	12,926
	Telephone & Fax	102,429	63,495
	<b>TOTAL ADMINISTRATION &amp; PERSONNEL</b>	<b>767,425</b>	<b>1,145,434</b>
	<b>OPERATIONS</b>		
	Campaign & Publicity:		
	Advertising & Other Campaign Expenses	291,233	97,383
	Media Consultancy & Monitoring	20,623	15,477
		<b>311,856</b>	<b>112,860</b>
	Membership Records:		
	Stationery/Resources	8,499	5,363
	Postage	15,551	14,079
	Salaries and related costs	164,361	172,992
		<b>188,411</b>	<b>192,434</b>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2008 (CONT.)**

Note 2	Net Profit (cont.)	2008	2007
		\$	\$
	OPERATIONS (Cont.)		
	Resource Centre:		
	Purchases	24,075	23,836
	Salaries and Related Costs	195,791	202,105
		<hr/>	<hr/>
		219,866	225,941
	Organisers:		
	Regional Office Expenses	17,092	13,284
	Motor Vehicle Expenses	58,682	43,910
	Depreciation - Motor Vehicles	47,578	36,970
	Salaries and Related Costs	1,551,384	1,428,124
	Travel & Sundry Expenses	70,305	64,428
		<hr/>	<hr/>
		1,745,041	1,594,335
	Industrial:		
	Legal Expenses	147,978	61,577
	Salaries and Related Costs	351,227	358,394
	Travel sustentation	-	500
	Travel & Sundry Expenses	2,973	4,426
		<hr/>	<hr/>
		502,178	424,897
	Communications:		
	AEU Journal - Printing	63,621	66,568
	- Delivery	38,452	27,643
	Newsletters - Printing	3,767	9,936
	- Delivery	3,230	12,650
	Travel & Accommodation	484	407
	Salaries and Related Costs	226,537	231,577
		<hr/>	<hr/>
		336,091	348,781
	Women's Officer:		
	Operating Expenses	47,209	26,549
	Salaries and Related Costs	64,604	96,767
	Travel sustentation	856	1,397
		<hr/>	<hr/>
		112,669	124,713
	<b>TOTAL OPERATIONS</b>	<hr/>	<hr/>
		3,416,112	3,016,342
		<hr/>	<hr/>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2008 (CONT.)**

Note 2	Net Profit (cont.)	2008 \$	2007 \$
	<b>OTHER MEMBER OPERATIONS</b>		
	Legal Defence	175,336	135,250
	Union Development	158,080	210,367
	Member Professional Development	78,327	67,628
	International Support	41,195	38,035
	A.E.U. Affiliation	482,726	554,515
	Other Affiliations	55,984	54,218
	National Committees & Conferences		
	Travel & other expenses	5,116	9,243
	Sustentation	6,618	7,108
	Salaries and Related Costs	161,954	156,720
	Travel and accommodation	2,174	946
	Travel sustentation	-	245
	<b>TOTAL OTHER MEMBER OPERATIONS</b>	<u>1,167,510</u>	<u>1,234,275</u>
	<b>PROPERTY</b>		
	Repairs & Maintenance	57,026	29,585
	Rates & Taxes	54,224	51,245
	Electricity	33,173	32,266
	Cleaning	39,126	40,056
	Insurance	15,907	14,049
	Sundry Property Expenses	29,198	24,154
	Depreciation		
	- Furniture & Fittings	6,684	2,771
	- Plant & Equipment	72,332	104,897
	- Buildings	41,760	42,475
	Salaries and Related Costs	56,410	63,740
	<b>TOTAL PROPERTY</b>	<u>405,840</u>	<u>405,238</u>
	<b>TOTAL EXPENSES</b>	<u><u>6,481,725</u></u>	<u><u>6,457,179</u></u>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2008 (CONT.)**

<b>Note 3</b>	<b>Cash and cash equivalents</b>	<b>2008</b>	<b>2007</b>
		<b>\$</b>	<b>\$</b>
	Petty Cash	500	500
	Cash at Bank	36,427	285,221
		<u>36,927</u>	<u>285,721</u>
		=====	=====
<b>Note 4</b>	<b>Receivables</b>		
	Trade Debtors	16,197	14,699
	Provision for Doubtful Debts	(100)	(410)
		<u>16,097</u>	<u>14,289</u>
	Sundry Debtors	127,484	92,757
		<u>143,581</u>	<u>107,046</u>
		=====	=====
<p>Note that in both 2008 and 2007 there were no amounts in Trade Debtors in relation to an amount receivable from the Australian Education Union.</p>			
<b>Note 5</b>	<b>Other Current Assets</b>		
	Prepayments	62,144	87,495
		=====	=====
<b>Note 6</b>	<b>Other Financial Assets</b>		
	<b>Investments - Current</b>		
	Satisfac Deposits	4,521,420	3,865,468
	Bank SA:		
	Short Term Money Market	353,212	352,737
	Bank Bills	1,608,164	1,640,910
	Staff Computer Loans	7,453	1,918
	Member Emergency Relief Loans	-	200
		<u>6,490,249</u>	<u>5,861,233</u>
		=====	=====
	<b>Investments - Non-current</b>		
	Satisfac Credit Union Share		
	- at cost	2	2
		==	==

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

NOTES TO AND FORMING OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2008 (CONT.)

	2008 \$	2007 \$
<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> October 2008. The valuation was performed by Mr Paul C Tilley FAPI, AREI, CREI (Val), Certified Practising Valuer.		
Greenhill Road – at independent valuation	5,000,000	3,900,000
Accumulated Depreciation	(6,267)	(153,500)
	<u>4,993,733</u>	<u>3,746,500</u>
Porter Street – at independent valuation	487,000	380,000
Accumulated Depreciation	-	(16,400)
	<u>487,000</u>	<u>363,600</u>
Works of Art – at cost	36,300	36,300
	<u>36,300</u>	<u>36,300</u>
Plant & Equipment - at cost	683,969	640,121
Accumulated Depreciation	(471,470)	(408,662)
	<u>212,499</u>	<u>231,459</u>
Furniture and Fittings - at cost	191,229	135,653
Accumulated Depreciation	(126,834)	(120,149)
	<u>64,395</u>	<u>15,504</u>
Motor Vehicles - at cost	286,430	308,927
Accumulated Depreciation	(74,011)	(79,886)
	<u>212,419</u>	<u>229,041</u>
<b>Total property, plant &amp; equipment</b>	<u><u>6,006,346</u></u>	<u><u>4,622,404</u></u>

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

**NOTES TO AND FORMING OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2008 (CONT.)**

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

	<u>2008</u>						
	G/Hill Rd	Porter St	Work of Art	Plant & Equipment	Furniture & Fittings	Motor Vehicles	Total
Opening WDV	3,746,500	363,600	36,300	231,459	15,504	229,041	4,622,404
Additions – cost	-	-	-	53,581	55,575	68,748	177,904
Revaluation	1,285,567	126,826	-	-	-	-	1,412,393
Disposals	-	-	-	(209)	-	(37,792)	(38,001)
Depreciation	(38,334)	(3,426)	-	(72,332)	(6,684)	(47,578)	(168,354)
Closing WDV	<u>4,993,733</u>	<u>487,000</u>	<u>36,300</u>	<u>212,499</u>	<u>64,395</u>	<u>212,419</u>	<u>6,006,346</u>
	<u>2007</u>						
	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>

**Note 8 Trade and other Payables**

	<u>2008</u>	<u>2007</u>
	\$	\$
Accrued Expenses	485,942	478,908
Subscriptions in advance	399,457	384,419
	<u>885,399</u>	<u>863,327</u>
	=====	=====

Note: Accrued Expenses include \$19,515 (2007 \$15,463) in relation to salary and oncost obligations for Elected Officers and \$84,600 (2007 \$8,502) in relation to legal costs.

**Note 9 Provisions**

**Current**

Provision for Annual Leave		
Elected Officers	89,956	43,457
Other employees	351,564	388,798
	<u>441,520</u>	<u>442,255</u>
Provision for Long Service Leave		
Elected Officers	47,650	51,542
Other employees	611,010	687,940
	<u>658,660</u>	<u>739,482</u>

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

**NOTES TO AND FORMING OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2008(CONT.)**

	2008	2007
	\$	\$
<b>Note 9</b>		
<b>Provisions (cont.)</b>		
Provision for Sick Leave		
Elected Officers	6,200	1,500
Other employees	43,800	48,500
	<u>50,000</u>	<u>50,000</u>
	<u>1,150,180</u>	<u>1,231,737</u>
	=====	=====
<b>Non Current</b>		
Provision for Long Service Leave		
Elected Officers	-	3,215
Other employees	15,466	19,052
	<u>15,466</u>	<u>22,267</u>
	=====	=====
<b>Note 10</b>		
<b>Cash Flows</b>		
a) <b>Reconciliation of Net Profit to Net Cash Provided by Operating Activities</b>		
Net (Loss)/Profit	429,241	167,462
Depreciation:		
- Motor Vehicles	47,578	36,970
- Furniture & Fittings	6,684	2,771
- Plant & Equipment	72,332	104,897
- Buildings	41,760	42,475
Loss on Sale of Equipment	7,306	(663)
Change in Assets and Liabilities:		
Increase in Trade Debtors	(1,498)	(9,213)
Decrease in Provision for Doubtful Debts	(310)	-
(Increase)/Decrease in Sundry Debtors	(34,727)	25,788
Decrease/(Increase) in Prepayments	25,351	(33,403)
Increase in Payables	22,072	76,949
Decrease in Provision for Annual Leave	(735)	23,196
(Decrease)/Increase in Provision for Long Service Leave	(87,412)	153,814
	<u>527,642</u>	<u>591,043</u>
<b>Net Cash Provided by Operating Activities</b>	=====	=====

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2008 (CONT.)**

	2008	2007
	\$	\$
<b>Note 10</b>		
<b>Cash Flows (cont.)</b>		
<b>b) Reconciliation of Cash</b>		
For the purpose of the statement of cash flows, cash includes cash on hand and in banks. Cash at the end of the reporting period as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash on hand	500	500
Cash at bank	36,427	285,221
	<u>36,927</u>	<u>285,721</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	215	1,882
AEU (VIC Branch)	-	198
AEU (ACT Branch)	-	198
AEU (QLD Branch)	390	495
AEU (NSW Branch)	-	792
Total cash received	<u>605</u>	<u>3,565</u>
	=====	=====
Cash paid to:		
AEU Federal Office	628,920	663,189
AEU (Victorian Branch)	17	17
Total cash paid	<u>628,937</u>	<u>663,206</u>
	=====	=====
<b>Note 11</b>		
<b>Auditor's Remuneration</b>		
Amounts received or due and receivable by auditors for:		
- auditing or reviewing the financial report	15,500	11,475
- other services	-	-
	<u>15,500</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 2008 (CONT.)**

	2008	2007
	\$	\$
<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:

Correna Haythorpe (President)	Anne Crawford (Vice President)
Marcus Knill (Vice President)	John (Jack) Major (Branch Secretary)
Richard Baxter	Jacqueline Bone-George
David Coulter	Daniel Ellis
Andrew Gohl	Katrina Hanlin
Kelvin Jeanes	Lara Kelly
Lelsey Lindsay-Taylor	Ray Marino
Donald Peter	David Smith (Treasurer)
Peter Trethewey	Christine Waugh
Jan Webber	Lorraine Young

The aggregate amount of remuneration directly or indirectly received or receivable for the year ended 31st December 2008, whether as an Executive member or otherwise, from the reporting entity in connection with the management of the reporting entity, was \$432,112 (2007 \$415,608). The aggregate amounts paid during the year ended 31st December 2008 to a superannuation plan or other entity by the reporting entity in connection with the retirement of Executive members of the reporting entity was \$66,042 (2007 \$52,056).

**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 40.78.

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2008 (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>2008</u>	Floating Interest rate	Fixed interest Maturing in 1 year or less	Non interest bearing	Total
<b>Financial assets</b>				
Cash on hand and in banks	36,427	-	500	36,927
Investments – other than public investments	353,212	6,129,583	-	6,482,795
Trade and other debtors	-	-	206,692	206,692
	<hr/>	<hr/>	<hr/>	<hr/>
	389,639	6,129,583	207,192	6,726,414
Weighted average interest rate	3.2%	7.5%		
<b>Financial Liabilities</b>				
Accrued Expenses	-	-	478,908	478,908
Subscriptions in advance	-	-	384,419	384,419
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	863,327	863,327
	<hr/>	<hr/>	<hr/>	<hr/>

<u>2007</u>	Floating Interest rate	Fixed interest Maturing in 1 year or less	Non interest bearing	Total
<b>Financial assets</b>				
Cash on hand and in banks	285,221	-	500	285,721
Investments – other than public investments	352,737	5,506,378	-	5,859,115
Trade and other debtors	-	-	199,578	199,578
	<hr/>	<hr/>	<hr/>	<hr/>
	637,958	5,506,378	200,078	6,344,414
Weighted average interest rate	3.5%	7.3%		
<b>Financial Liabilities</b>				
Accrued Expenses	-	-	478,908	478,908
Subscriptions in advance	-	-	384,419	384,419
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	863,327	863,327
	<hr/>	<hr/>	<hr/>	<hr/>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2008 (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.

## **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 1 – 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.

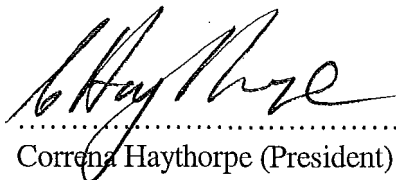
Sub-section 272(3) A reporting unit must comply with an application made under subsection (1)

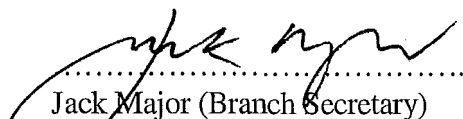
**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**COMMITTEE OF MANAGEMENT STATEMENT**

We, 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 11<sup>th</sup> May 2009, 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 2008 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 15 May 2009.



Edwards Marshall

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

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

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Adelaide, South Australia 5000  
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DX 240 Adelaide  
Telephone 08 8139 1111  
Facsimile 08 8139 1100  
info@edwardsmarshall.com.au  
edwardsmarshall.com.au

**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 2008 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.



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

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

**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 2008 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 Dreckow  
Chartered Accountant - (Partner)  
Registered Company Auditor 222051

Adelaide  
South Australia

Dated 15 May 2009