

FR 2003/290



Australian Education Union

Victorian Branch

112 Trenerry Crescent, Abbotsford, 3067

Postal Address: PO Box 363, Abbotsford, 3067

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Toll Free: 1800 013 379 www.aeuvic.asn.au

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ABN: 44 673 398 674

16 June 2003

Industrial Registrar
Australian Industrial Registry - Organisations Branch
GPO Box 1994S
MELBOURNE Vic 3001

Dear Madam/Sir

Re: Financial Documents for the Australian Education Union Victorian Branch for the Year Ended 31 December 2002

Attached are the financial documents accompanying the Accounting Officers Certificate, and the Branch Council Certificate.

In accordance with the provisions of Section 279(2) of the Workplace Relations Act 1996 the Branch Council at its meeting on 14 June 2003 resolved to provide its members with a summary of the report, accounts and statements for the financial year ended 31st December 2002.

In accordance with sub-sector 2(a) we hereby lodge the relevant documents for consideration viz:

1. Copy of the proposed summary to be published and distributed.
2. Copy of the Auditor's Statement to accompany the summary.

Your early attention to the matter would be appreciated.

Thank you for your assistance.

Yours sincerely

ROBERT E. GLARE
Branch Secretary



Australian Education Union

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ACCOUNTING OFFICER'S CERTIFICATE

I, Robert E. Glare, being the officer responsible for keeping the accounting records of the Australian Education Union Victorian Branch certify that at 31 December 2002 the number of members of the organisation was 27,714.

In my opinion:

- (i) the attached accounts show a true and fair view of the financial affairs of the organisation as at 31st December 2002;
- (ii) a record has been kept of all monies paid by or collected from members and all monies so paid or collected have been credited to the bank account to which those monies are to be credited, in accordance with the Branch rules;
- (iii) before any expenditure was incurred approval was obtained in accordance with the rules of the organisation;
- (iv) with regard to funds of the organisation raised by compulsory levies or voluntary contributions from members or funds other than the General Fund operating in accordance with the rules, no payments were made out of any such funds for purposes other than those for which the Fund was intended;
- (v) no loans or other financial benefits were made to persons holding office in the organisation;
- (vi) a register of members of the organisation was maintained in accordance with the Act.

ROBERT E. GLARE

6 June 2003



Australian Education Union

Victorian Branch

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BRANCH COUNCIL CERTIFICATE

We, Jodi Watt and Christine Stewart, being two members of the Branch Council of the Australian Education Union Victorian Branch, do state on behalf of the Council and in accordance with a resolution passed by the Branch Council on 14 June 2003 that:

- (i) in the opinion of the Branch Council, the attached accounts show a true and fair view of the financial affairs of the organisation as at 31 December 2002;
- (ii) in the opinion of the Branch Council, meetings of the Council were held during the period ended 31 December 2002 in accordance with the rules of the organisation;
- (iii) to the knowledge of any member of the Branch Council, there have been no instances where financial records of the organisation or other documents (not being documents containing information made available to a member of the organisation under sub-section 274(2) of the Workplace Relations Act 1996), or copies of these records or documents, or copies of the rules of the organisation, have not been furnished or made available to members in accordance with the requirements of the Workplace Relations Act 1996 as amended, the Regulations thereto, or the rules of the organisation.
- (iv) the organisation has complied with the requirements of section 279 of the Workplace Relations Act 1996 in relation to the financial accounts for the period ended 31 December 2001 and the Auditor's Report thereon.

JODI WATT

CHRISTINE STEWART

16 June 2003

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

ABN 44 673 398 674

STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER 2002

	<u>Note</u>	<u>2002</u> \$	<u>2001</u> \$
<u>CURRENT ASSETS</u>			
Cash Assets	4	396,378	337,799
Receivables	5	<u>545,819</u>	<u>418,884</u>
<u>TOTAL CURRENT ASSETS</u>		<u>942,197</u>	<u>756,683</u>
<u>NON-CURRENT ASSETS</u>			
Receivables	5	1,931,636	2,390,997
Investments	6 & 7	4,229,415	4,255,140
Property, Plant & Equipment	8	<u>102,352</u>	<u>144,214</u>
<u>TOTAL NON-CURRENT ASSETS</u>		<u>6,263,403</u>	<u>6,790,351</u>
<u>TOTAL ASSETS</u>		<u>7,205,600</u>	<u>7,547,034</u>
<u>CURRENT LIABILITIES</u>			
Payables	9	1,037,791	786,765
Interest Bearing Liabilities	10	0	10,068
Provisions	11	<u>1,472,989</u>	<u>1,248,522</u>
<u>TOTAL CURRENT LIABILITIES</u>		<u>2,510,780</u>	<u>2,045,355</u>
<u>TOTAL LIABILITIES</u>		<u>2,510,780</u>	<u>2,045,355</u>
<u>NET ASSETS</u>		<u>4,694,820</u>	<u>5,501,679</u>
<u>EQUITY</u>			
Accumulated Funds	12	<u>4,694,820</u>	<u>5,501,679</u>
<u>TOTAL EQUITY</u>		<u>4,694,820</u>	<u>5,501,679</u>

The accompanying notes form part of these financial statements.

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
ABN 44 673 398 674

STATEMENT OF FINANCIAL PERFORMANCE
YEAR ENDED 31ST DECEMBER 2002

	<u>Note</u>	<u>2002</u> \$	<u>2001</u> \$
Revenue from ordinary activities		10,271,074	10,210,361
Administration expenses		(9,763,027)	(9,165,243)
Occupancy expenses		(1,262,288)	(1,024,956)
Other expenses from ordinary activities		<u>(26,893)</u>	<u>(18,146)</u>
Profit from ordinary activities before income tax expense		(781,134)	2,016
Income tax expense relating to ordinary activities		<u>0</u>	<u>0</u>
Profit from ordinary activities after income tax expense		(781,134)	2,016
Investment in TFV Property Pty Ltd written back/(written off)		<u>(25,725)</u>	<u>3,085,843</u>
Net Profit/(Loss)		<u><u>(806,859)</u></u>	<u><u>3,087,859</u></u>

The accompanying notes form part of these financial statements.

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
ABN 44 673 398 674

STATEMENT OF CASH FLOWS
FOR YEAR ENDED 31ST DECEMBER 2002

	<u>Note</u>	<u>2002</u> \$	<u>2001</u> \$
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>			
Receipts from members and customers		10,244,019	10,016,903
Payments to suppliers and employees		(10,613,829)	(10,042,433)
Interest received		<u>9,518</u>	<u>47,883</u>
Net cash provided by (used in) operating activities	17(b)	<u>(360,292)</u>	<u>22,353</u>
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>			
Proceeds from sale of property, plant & equipment		2,644	1,865
Payment for property, plant & equipment		(33,065)	(82,911)
Loan to related party: Drawdowns/(Payments made)		<u>459,360</u>	<u>(1,032,560)</u>
Net cash provided by (used in) investing activities		<u>428,939</u>	<u>(1,113,606)</u>
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>			
Proceeds from borrowings		0	0
Repayment of borrowings		<u>(10,068)</u>	<u>(22,645)</u>
Net cash provided by (used in) financing activities		<u>(10,068)</u>	<u>(22,645)</u>
Net increase (decrease) in cash held		58,579	(1,113,898)
Cash at beginning of financial year		<u>337,799</u>	<u>1,451,697</u>
Cash at end of financial year	17(a)	<u>396,378</u>	<u>337,799</u>

The accompanying notes form part of these financial statements

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

ABN 44 673 398 674

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2002

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report covers Australian Education Union Victorian Branch as an individual entity.

The financial report has been prepared on an accrual basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Union in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Income Tax

No provision for income tax is necessary as "trade unions" are exempt from income tax under Section 23(f) of the Income Tax Assessment Act 1936.

(b) Property, Plant and Equipment

Property, plant and equipment are carried at cost or at independent valuation less, where applicable, any accumulated depreciation or amortisation. The carrying amount of property plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining the recoverable amount.

The depreciable amount of all fixed assets are depreciated over their useful lives commencing from the time the asset is held ready for use.

The gain or loss on disposal of all fixed assets, including revalued 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 operating result in the year/period of disposal.

(c) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Union are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

ABN 44 673 398 674

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2002

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

(c) Leases (cont)

estimated useful lives where it is likely that the Union will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives received under operating leases are recognised as a liability. Lease payments received reduced the liability.

(d) Employee Entitlements

Provision is made for the Union's liability for employee entitlements arising from services rendered by employees to balance date. 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. Provision for long service leave is made for all employees regardless of length of service.

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 these entitlements.

All provisions have been made on the basis of the employees' terms of employment.

Superannuation contributions are made by the Union to an employee superannuation fund and are charged as expenses when incurred.

(e) Unearned Revenue

The unearned revenue shown in the financial report relates to members subscriptions paid in advance as at the date of these financial statements. The unearned revenue will be brought to account as income in the next financial year.

(f) Cash

For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months and net of bank overdrafts.

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

ABN 44 673 398 674

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2002

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

(g) Goods and Services Tax

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

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cashflows are included in the statement of cash flows on a gross basis. The GST components of cashflows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows

	<u>2002</u>	<u>2001</u>
	\$	\$
<u>NOTE 2: REVENUE</u>		
Operating activities		
- Membership subscriptions and levies	10,180,304	10,045,222
- Interest	9,518	47,883
- Rendering of service	<u>78,608</u>	<u>115,391</u>
	10,268,430	10,208,496
Non operating activities		
- Proceeds on disposal of property, plant & equipment	<u>2,644</u>	<u>1,865</u>
Total Income	<u>10,271,074</u>	<u>10,210,361</u>
(a) Interest from		
- Other persons	<u>9,518</u>	<u>47,883</u>

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2002

	<u>2002</u>	<u>2001</u>
	\$	\$
<u>NOTE 3: PROFIT FROM ORDINARY ACTIVITIES</u>		
Profit from ordinary activities has been determined after:		
(a) Expenses		
Affiliation fees	745,962	725,443
Borrowing costs - other persons	0	0
Depreciation of non current assets - plant & equipment	74,928	94,064
Bad and doubtful debts - trade debtors	5,493	108
Remuneration of auditor - audit	12,775	14,625
- other services	0	0
	<u> </u>	<u> </u>
(b) Revenue and net gains		
Net gain/(loss) on disposal of plant and equipment	2,644	1,865
	<u> </u>	<u> </u>
(c) Significant revenue and expenses		
Write back/(off) of investment in TFV Property Pty Ltd	(25,725)	3,085,843
	<u> </u>	<u> </u>
<u>NOTE 4: CASH ASSETS</u>		
Cash at bank	391,924	159,541
Cash on hand	4,454	2,640
Short term deposits	0	175,618
	<u> </u>	<u> </u>
	<u>396,378</u>	<u>337,799</u>
<u>NOTE 5: RECEIVABLES</u>		
<u>Current</u>		
Members' Subscriptions	307,167	269,759
Prepaid expenses	216,537	121,611
Sundry debtors	27,548	27,514
Less : Provision for doubtful debts	(5,433)	0
	<u> </u>	<u> </u>
<u>Total Current</u>	<u>545,819</u>	<u>418,884</u>
<u>Non-current</u>		
Sundry debtors	2,250	2,250
Loan to TFV Property Pty Ltd	1,929,386	2,388,747
	<u> </u>	<u> </u>
<u>Total Non-current</u>	<u>1,931,636</u>	<u>2,390,997</u>

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

ABN 44 673 398 674

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2002

	<u>2002</u>	<u>2001</u>
	\$	\$
<u>NOTE 6: INVESTMENTS</u>		
Shares in TFV Property Pty Ltd - at cost	8,000,000	8,000,000
Increase in investment - additional shares allotted	<u>0</u>	<u>0</u>
	8,000,000	8,000,000
Less : Provision for diminution in value (Note 7)	<u>(3,770,585)</u>	<u>(3,744,860)</u>
	<u>4,229,415</u>	<u>4,255,140</u>

NOTE 7: SHARES IN TFV PROPERTY PTY LTD

During the 1998 year the Union was allotted additional share capital from TFV Property Pty Ltd of \$3,739,427. This amount offset part of the loan lent to TFV Property Pty Ltd.

The Union owns all of the issued capital of TFV Property Pty Ltd whose significant asset is the property situated at 112 Trenerry Crescent Abbotsford.

	<u>2002</u>	<u>2001</u>
	\$	\$
<u>NOTE 8: PROPERTY, PLANT & EQUIPMENT</u>		
Furniture, fittings and equipment : at cost	694,415	693,782
Less : Accumulated depreciation	<u>(592,063)</u>	<u>(549,568)</u>
	<u>102,352</u>	<u>144,214</u>

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

	Furniture and Equipment
Balance at beginning of year	144,214
Additions	33,065
Disposals	32,432
Revaluation increments/(decrements)	(32,432)
Depreciation expense	<u>(74,927)</u>
Carrying amount at end of year	<u>102,352</u>

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

ABN 44 673 398 674

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2002

	<u>2002</u>	<u>2001</u>
	\$	\$
<u>NOTE 9: PAYABLES</u>		
<u>Current</u>		
Unearned income : Members subscriptions paid in advance	366,252	343,703
Creditors	531,862	331,511
Net GST liability	<u>139,677</u>	<u>111,551</u>
	<u>1,037,791</u>	<u>786,765</u>
 <u>NOTE 10: INTEREST BEARING LIABILITIES</u>		
<u>Current</u>		
Hire Purchase Liabilities	<u>0</u>	<u>10,068</u>
 <u>NOTE 11: PROVISIONS</u>		
<u>Current</u>		
Provision for annual leave	731,521	504,570
Provision for sick leave	0	46,526
Provision for long service leave	<u>741,468</u>	<u>697,426</u>
	<u>1,472,989</u>	<u>1,248,522</u>
 <u>NOTE 12: EQUITY</u>		
<u>Accumulated funds</u>		
Opening balance	5,501,679	2,413,820
Add : Surplus (Loss) for the period	<u>(806,859)</u>	<u>3,087,859</u>
<u>Accumulated funds at 31st December</u>	<u>4,694,820</u>	<u>5,501,679</u>

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

ABN 44 673 398 674

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2002

NOTE 13: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with requirements of the Workplace Relations Act 1996, as amended, the attention of members is drawn to the provision of sub-sections (1), (2) and (3) of section 274 which read as follows:

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

NOTE 14: OFFICERS REMUNERATION

In accordance with Workplace Relations Regulations: Regulation 107 at (X1V), the total amount of remuneration to holders of office in the organisation for the year ended 31 December, 2002 was \$903,135.

NOTE 15: CONTINGENT LIABILITIES

Estimates of material amounts of contingent liabilities, not provided for in the accounts arising from:

- (a) guarantee by the union in respect of the secured bank facilities of TFV Property Pty Ltd \$1,700,000 (2001 \$1,700,000).

	<u>2002</u>	<u>2001</u>
	\$	\$

NOTE 16: OPERATING LEASING COMMITMENTS

Motor Vehicles

Non-cancellable operating leases contracted for but not capitalised in the accounts:

- not later than one year	211,576	245,395
- later than one year but not later than five years	304,388	282,147
- later than five years	<u>0</u>	<u>0</u>
Total leases commitments	<u>515,964</u>	<u>527,542</u>

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
ABN 44 673 398 674

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2002

	<u>2002</u>	<u>2001</u>
	\$	\$

NOTE 17: CASH FLOW INFORMATION

(a) Reconciliation of Cash

For the purpose of the Statement of Cash Flows, cash includes all cash on hand and cash held in at call deposits with maturity terms of two months or less with banks and financial institutions, net of any bank overdraft amounts.

Cash at the end of the financial period is shown in the balance sheet as :

Cash at bank	391,924	159,541
Cash on hand	4,454	2,640
Short term deposits	0	175,618
	<u>396,378</u>	<u>337,799</u>
<u>TOTAL</u>	<u>396,378</u>	<u>337,799</u>

(b) Reconciliation of cash flows from operations with operating deficiency

Operating surplus/(deficiency)	<u>(806,859)</u>	<u>3,087,859</u>
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Non-cash flows in operating surplus/(deficiency)

Provision for investment diminution	25,725	(3,085,843)
Depreciation	74,928	94,064
(Profit)/loss on sale of property, plant and equipment	(2,644)	(1,865)
	<u>98,009</u>	<u>(2,993,644)</u>

Changes in assets and liabilities

(Increase) Decrease in trade and other debtors	(37,442)	(65,095)
(Increase) Decrease in prepayments	(94,926)	(48,788)
Increase (Decrease) in creditors and accruals	251,026	7,060
Increase (Decrease) in provisions	229,900	34,961
	<u>348,558</u>	<u>(71,862)</u>

CASH FLOWS FROM OPERATIONS

	<u>(360,292)</u>	<u>22,353</u>
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AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

ABN 44 673 398 674

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2002

NOTE 18: PUBLIC EDUCATION CAMPAIGN LEVY

The 1997 Branch Conference determined that a levy of all members be struck in accordance with AEU Federal Rules for the purpose of funding the AEU Victorian Branch's Public Education Campaign.

A separate fund has been established for this purpose.

The levy was set at \$20 p.a. for members employed 0.6 and above and \$10 p.a. for members employed 0.5 or below.

The levy applied for three years commencing on 3rd August 1997. On 5th August 2000 Branch Council decided to continue the levy in its present form until the end of the calendar year 2003.

	<u>2002</u>	<u>2001</u>
	\$	\$
Opening Balance	217,301	207,608
Add Funds collected from levy	492,597	510,521
Add Donation and Interest Income	14,113	6,590
	<u>506,710</u>	<u>517,111</u>
Total Funds Available	724,011	724,719
Less amounts paid for Public Education Campaign purposes	<u>(708,856)</u>	<u>(507,418)</u>
Funds Available for Public Education Campaign purposes as at 31 December	<u>15,155</u>	<u>217,301</u>
Public Education Bank Account at year end	12,350	19,387
Add amounts to be remitted to Public Education Account by AEU Vic Branch	<u>2,805</u>	<u>197,914</u>
	<u>15,155</u>	<u>217,301</u>
<u>Sources of Funds</u>		
Excess of income over campaign spending	0	9,693
Reduction in Bank account	7,037	138,780
Reduction in amount owing by AEU Vic Branch to Public Education Campaign	<u>195,109</u>	<u>0</u>
	<u>202,146</u>	<u>148,473</u>
<u>Application of Funds</u>		
Excess of Campaign spending over income	202,146	0
Increase in amounts owed by AEU Vic Branch	<u>0</u>	<u>148,473</u>
	<u>202,146</u>	<u>148,473</u>

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2002

NOTE I9: CERTIFIED AGREEMENT LEVY

Branch Council on 20th March 1999 determined that a levy of all members in the primary and secondary sectors be struck in accordance with AEU Federal Branch rules for the purpose of funding the AEU Victorian Branch's Certified Agreement Campaign.

A separate fund was established for this purpose.

The levy was set at \$100 per primary or secondary member with pro rata amounts applied to those employed part time.

The levy was due and payable by 30th June 1999.

	<u>2002</u> \$	<u>2001</u> \$
Opening Balance	187,154	306,752
Add Funds collected from levy	0	0
Add Donation and Interest Income	5,557	9,804
	<u>5,557</u>	<u>9,804</u>
Total Funds Available	192,711	316,556
Less Amounts paid for Certified Agreement Levy purposes	<u>(50,342)</u>	<u>(129,402)</u>
Funds Available for Certified Agreement Levy purposes as at 31 December	<u>142,369</u>	<u>187,154</u>
Certified Agreement Levy Bank Account at year end	33,102	187,545
Add Amounts under(over)-remitted to Certified Agreement Levy Account by AEU Vic Branch	<u>109,267</u>	<u>(391)</u>
	<u>142,369</u>	<u>187,154</u>
<u>Sources of Funds</u>		
Reduction in Bank Account	154,443	140,108
AEU Vic Branch payments on behalf of Certified Agreement Levy	0	0
Repayment by AEU Vic Branch of amounts owing	<u>0</u>	<u>0</u>
	<u>154,443</u>	<u>140,108</u>
<u>Application of Funds</u>		
Increase in amount owed by AEU Vic Branch	109,267	0
Reduction in amount owed to AEU Vic Branch	391	20,510
Excess of campaign spending over income	<u>44,785</u>	<u>119,598</u>
	<u>154,443</u>	<u>140,108</u>

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

ABN 44 673 398 674

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2002

NOTE 20: FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The Union's exposure to interest rate risk, which is a risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate	
	<u>2002</u> %	<u>2001</u> %	<u>2002</u> \$	<u>2001</u> \$
<u>Financial Assets</u>				
Cash at bank	1.72	1.82	391,924	159,541
			Fixed Interest Rate Maturing Within 1 Year	
			<u>2002</u> \$	<u>2001</u> \$
<u>Financial Assets</u>				
Short term deposits	-	4.04	0	175,618
			Non Interest Bearing	
			<u>2002</u> \$	<u>2001</u> \$
<u>Financial Assets</u>				
Receivables	-	-	2,477,455	2,809,881
Investments	-	-	<u>4,229,415</u>	<u>4,255,140</u>
Total Financial Assets			<u><u>7,098,794</u></u>	<u><u>7,400,180</u></u>
			Fixed Interest Rate Maturing Within 1 Year	
			<u>2002</u> \$	<u>2001</u> \$
<u>Financial Liabilities</u>				
HP liabilities	-	6.85	0	10,068
			Fixed Interest Rate Maturing 1 to 5 Years	
			<u>2002</u> \$	<u>2001</u> \$
<u>Financial Liabilities</u>				
HP liabilities	-	-	0	0
			Non Interest Bearing	
			<u>2002</u> \$	<u>2001</u> \$
<u>Financial Liabilities</u>				
Sundry Creditors	-	-	<u>1,037,791</u>	<u>786,765</u>
Total Financial Liabilities			<u><u>1,037,791</u></u>	<u><u>796,833</u></u>

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

ABN 44 673 398 674

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2002

NOTE 20: FINANCIAL INSTRUMENTS (cont)

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to and forming part of the financial statements.

The Union does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Union.

(c) Net Fair Values

The net fair value of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the Union intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to and forming part of the financial statements.

NOTE 21: ENTITY DETAILS

The principal place of business of the entity is:

Australian Education Union
Victorian Branch
112 Trennery Crescent
Abbotsford Vic 3067

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
ABN 44 673 398 674

PRIVATE INFORMATION FOR THE MEMBERS
ON THE 2002 FINANCIAL STATEMENTS

INCOME AND EXPENDITURE STATEMENT
YEAR ENDED 31ST DECEMBER 2002

	<u>Note</u>	<u>2002</u> \$	<u>2001</u> \$
<u>INCOME</u>			
Advertising		0	74,837
Certified Agreement Levy	19	5,557	9,804
Interest		9,518	47,883
Membership Subscriptions		9,668,037	9,518,307
Other Income		78,608	40,554
Profit/(Loss) on Sale of Furniture & Equipment		2,644	1,865
Property Income : Trenerry Crescent		0	0
Public Education Campaign levy	18	506,710	517,111
		<u>10,271,074</u>	<u>10,210,361</u>
<u>EXPENSES</u>			
Affiliation Fees		745,962	725,443
Campaigns			
Certified Agreement Levy	19	50,342	129,402
Other Campaigns		25,494	62,695
Public Education Campaign Levy	18	708,856	507,418
Communications : Telephone, Fax & Internet		144,857	129,358
Conferences			
Annual Conference		10,104	4,904
Other Conferences & Forums		18,191	16,704
Donations		680	1,450
Equipment			
Furniture, Computer & Equipment Sundry Items		37,251	44,985
Depreciation	8	74,928	94,064
Hire Purchase Charges		306	1,416
Lease & Rental Costs		55,375	1,828
Maintenance Of Computers & Equipment		42,102	59,111
Functions and Farewells		6,394	4,744
Legal Expenses		264,022	161,619
Library/Information Services		20,859	18,512
Membership Services		187,022	147,249
Motor Vehicle Fleet Costs		445,623	421,226
Miscellaneous		1,971	2,224

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

ABN 44 673 398 674

PRIVATE INFORMATION FOR THE MEMBERS
ON THE 2002 FINANCIAL STATEMENTS

INCOME AND EXPENDITURE STATEMENT
YEAR ENDED 31ST DECEMBER 2002

	<u>Note</u>	<u>2002</u>	<u>2001</u>
		\$	\$
Office Expenses			
Administration General		0	0
Audit		12,775	14,625
Bad Debts Written Off		60	108
Bank Charges		12,355	9,620
Office Requisites & Paper		55,677	71,928
Postage		20,714	18,910
Provision for Doubtful Debts		5,433	0
Subscription Collection Costs		50,104	55,825
Publications		344,137	450,409
Regional Offices : Rent, Rates, Telephone, etc		142,029	165,915
Rent and Outgoings : Trenerry Crescent		1,052,326	823,552
Salaries			
Annual Leave		226,951	73,591
Fringe Benefits Tax		65,270	69,920
Insurance		24,975	24,101
Leadership & Others		4,595,895	4,259,904
Long Service Leave		44,043	96,720
Other Salary Costs		119,086	291,674
Payroll Tax		294,988	275,448
Redundancy Payments		0	0
Sick Leave		(46,526)	(102,214)
Superannuation		837,938	774,236
Training		10,344	5,881
Workcover		86,311	49,659
Structures		216,920	210,307
Travel Expenses		40,064	33,874
<u>TOTAL EXPENSES</u>		<u>11,052,208</u>	<u>10,208,345</u>

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
ABN 44 673 398 674

PRIVATE INFORMATION FOR THE MEMBERS
ON THE 2002 FINANCIAL STATEMENTS

INCOME AND EXPENDITURE STATEMENT
YEAR ENDED 31ST DECEMBER 2002

	<u>Note</u>	<u>2002</u> \$	<u>2001</u> \$
<u>OPERATING SURPLUS(LOSS) BEFORE</u> <u>ABNORMAL ITEMS</u>		<u>(781,134)</u>	<u>2,016</u>
<u>Less: ABNORMAL ITEMS</u>			
Investment written-off	3	25,725	(3,085,843)
Provision/(Recovery) of doubtful debt : TFV Property Pty Ltd		<u>0</u>	<u>0</u>
<u>TOTAL ABNORMAL ITEMS</u>		<u>25,725</u>	<u>(3,085,843)</u>
<u>SURPLUS (LOSS) AND ABNORMAL ITEMS</u> <u>FOR THE YEAR</u>		<u><u>(806,859)</u></u>	<u><u>3,087,859</u></u>

**SUMMARY OF THE FINANCIAL STATEMENTS OF THE
AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
FOR THE YEAR ENDED 31ST DECEMBER 2002**

The Financial Statements of the Union have been audited in accordance with the provisions of the Workplace Relations Act 1996 and the following Summary is provided for members in accordance with Section 279(2) of the Act.

A copy of the Auditor's Report, Accounts and Statements will be supplied free of charge to members who request same.

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

In accordance with the requirements of the Workplace Relations Act 1996 the attention of Members is drawn to the provisions of sub section (1), (2) and (3) of Section 274 which read as follows:

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

**AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
STATEMENT OF ASSETS & LIABILITIES
AS AT 31ST DECEMBER 2002**

	2002	2001
Accumulated Members Funds	<u>4,694,820</u>	<u>5,501,679</u>
Represented by		
Assets		
Current (see Notes 1 & 2)	942,197	756,683
Non Current	<u>6,263,403</u>	<u>6,790,351</u>
Total Assets	<u>7,205,600</u>	<u>7,547,034</u>
Less Liabilities		
Current	<u>2,510,780</u>	<u>2,045,355</u>
Total Liabilities	<u>2,510,780</u>	<u>2,045,355</u>
Net Assets	<u>4,694,820</u>	<u>5,501,679</u>

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
INCOME & EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2002

	2002	2001
Subscription Income	9,668,037	9,518,307
Certified Agreement Levy (see Note 1)	5,557	9,804
Public Education Levy (see Note 2)	506,710	517,111
Other Income	<u>90,770</u>	<u>165,139</u>
Total Income	10,271,074	10,210,361
Certified Agreement Levy	50,342	129,402
Public Education Levy	708,856	507,418
Other Expenditure	<u>10,293,010</u>	<u>9,571,525</u>
Total Expenditure	11,052,208	10,208,345
Operating Surplus for Period	(781,134)	2,016
Abnormal Item (see Note 3)	<u>(25,725)</u>	<u>3,085,843</u>
Surplus/(Loss) including Abnormal Items for the Period	<u><u>(806,859)</u></u>	<u><u>3,087,859</u></u>

NOTES: 1. In March 1999 Branch Council decided to levy all Primary and Secondary sector members the amount of \$100 or pro rata for part time for the purpose of financing the Certified Agreement Campaign. The levy was due and payable by 30 June 1999

Funds from the levy are accounted for separately and can only be expended on activities related to the Certified Agreement Campaign.

The current assets figure of \$941,984 includes an amount of \$142,369 cash in the Certified Agreement Levy Fund.

2. 1997 Branch Annual Conference determined to levy all members for the purpose of conducting the Public Education Campaign.

The levy applied for 3 years from 3 August 1997. The amount is \$20 pa for members employed 0.6 or more and \$10 pa for members employed 0.5 or less. On 5 August 2000 Branch Council decided to continue the levy in its present form until the end of calendar year 2003.

The current assets figure of \$941,984 includes an amount of \$15,155 cash in the Public Education Campaign Fund.

3 This amount is related to charges and expenses related to the loan and provision in investment on 112 Trenerry Crescent, Abbotsford.

Auditor's Certificate

I certify that the above Summary is a fair and accurate summary of the Report, Accounts and Statements of the Australian Education Union Victorian Branch for the year ended 31st December, 2002.

Our Auditor's Report dated _____, 2003 on the Accounts did not contain particulars of any deficiency, failure or shortcoming as referred to in the Workplace Relations Act 1996.

Charman Partners

Partner: Mark Peter Barson

Registered Company Auditor

Date: _____, 2003



AUSTRALIAN INDUSTRIAL REGISTRY

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

Mr Robert Glare
Branch Secretary
Australian Education Union
Victorian Branch
PO Box 363
ABBOTSFORD VIC 3067

Dear Mr Glare

**Re: Australian Education Union - Victorian Branch
Financial documents for year ended 31 December 2002 - FR 2003/290**

I have received your letter dated 16 June 2003 together with the financial documents including an unsigned summary, of the above named organisation for the year ended 31 December 2002. The documents were lodged in the Industrial Registry on 18 June 2003.

I have returned these documents, as I believe they should have been sent to the Auditor. When the summary has been signed could you please resend to the Registry.

The full financial statements also need to be lodged in this office within 14 days of their presentation to the second meeting in accordance with s279(6)(a) of the Workplace Relations Act 1996.

I have enclosed for you an information sheet setting out the timeframes about financial reporting obligations of organisations.

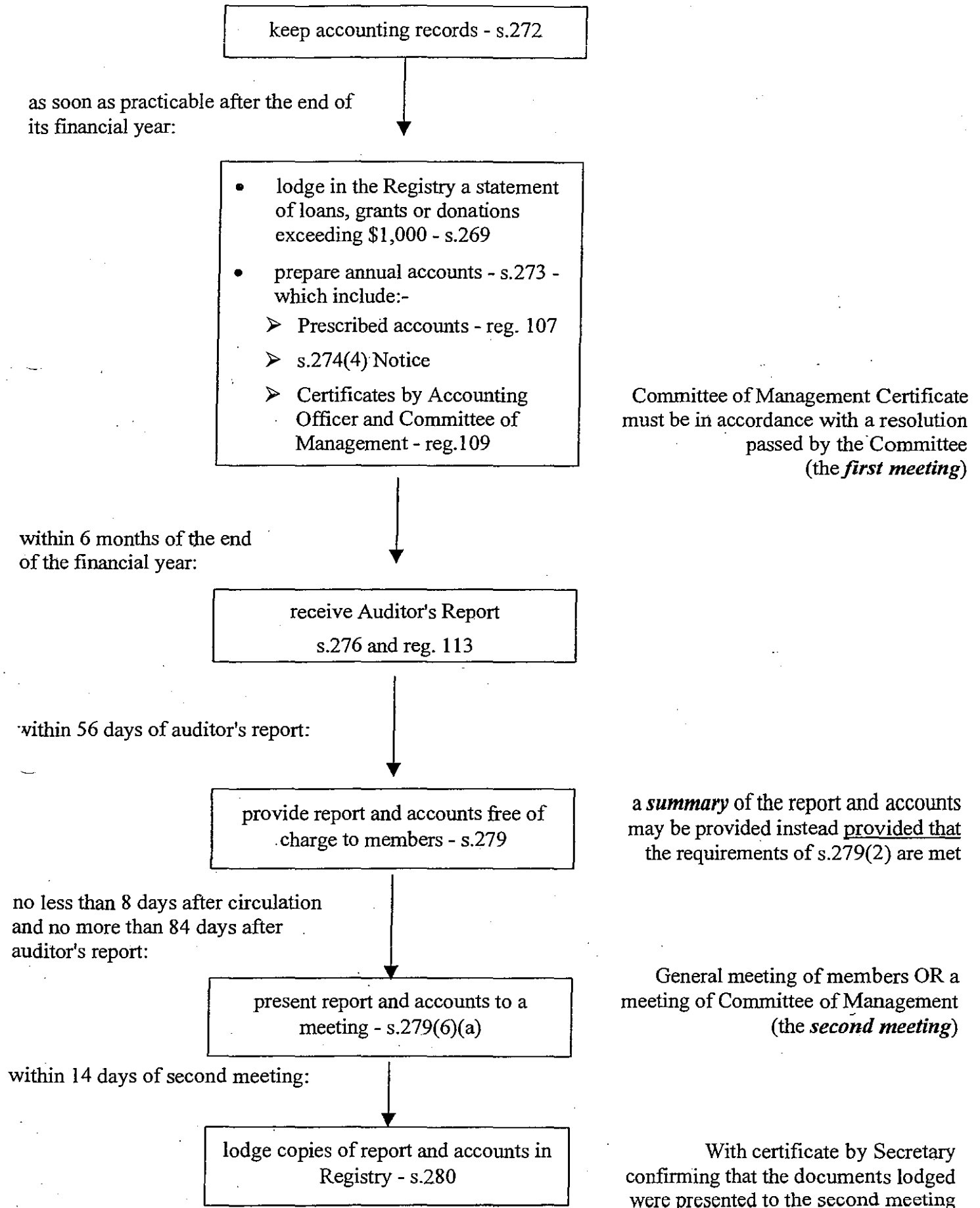
Yours sincerely,

Lynette Markovski

1 July 2003

WORKPLACE RELATIONS ACT 1996 - FINANCIAL REPORTING OBLIGATIONS

An organisation or a branch of an organisation must:





AUSTRALIAN INDUSTRIAL REGISTRY

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

Mr Robert Glare
Branch Secretary
Australian Education Union
Victorian Branch
PO Box 363
ABBOTSFORD VIC 3067

TO MS LYNETTE MARKOVSKI

Dear Mr Glare

**Re: Australian Education Union - Victorian Branch
Financial documents for year ended 31 December 2002 - FR 2003/290**

I have received your letter dated 16 June 2003 together with the financial documents including an unsigned summary, of the above named organisation for the year ended 31 December 2002. The documents were lodged in the Industrial Registry on 18 June 2003.

I have returned these documents, as I believe they should have been sent to the Auditor. When the summary has been signed could you please resend to the Registry.

The full financial statements also need to be lodged in this office within 14 days of their presentation to the second meeting in accordance with s279(6)(a) of the Workplace Relations Act 1996.

I have enclosed for you an information sheet setting out the timeframes about financial reporting obligations of organisations.

4 JULY 2003

Yours sincerely,

DEAR MS MARKOVSKI

L. Markovski

ATTACHED IS THE LETTER SENT TO YOU ON 16 JUNE WHICH YOU RETURNED WITH THIS LETTER.

Lynette Markovski

1 July 2003

ALSO ATTACHED IS A SIGNED SUMMARY WHICH YOU REQUESTED IN YOUR LETTER

THANK YOU

Ms Catherine

(BERNIE CATCHLOVE ON BEHALF OF ROB GLARE)

WORKPLACE RELATIONS ACT 1996 - FINANCIAL REPORTING OBLIGATIONS

An organisation or a branch of an organisation must:

keep accounting records - s.272

as soon as practicable after the end of its financial year:

- lodge in the Registry a statement of loans, grants or donations exceeding \$1,000 - s.269
- prepare annual accounts - s.273 - which include:-
 - Prescribed accounts - reg. 107
 - s.274(4) Notice
 - Certificates by Accounting Officer and Committee of Management - reg.109

Committee of Management Certificate must be in accordance with a resolution passed by the Committee (the *first meeting*)

within 6 months of the end of the financial year:

receive Auditor's Report
s.276 and reg. 113

within 56 days of auditor's report:

provide report and accounts free of charge to members - s.279

a *summary* of the report and accounts may be provided instead provided that the requirements of s.279(2) are met

no less than 8 days after circulation and no more than 84 days after auditor's report:

present report and accounts to a meeting - s.279(6)(a)

General meeting of members OR a meeting of Committee of Management (the *second meeting*)

within 14 days of second meeting:

lodge copies of report and accounts in Registry - s.280

With certificate by Secretary confirming that the documents lodged were presented to the second meeting

**SUMMARY OF THE FINANCIAL STATEMENTS OF THE
AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
FOR THE YEAR ENDED 31ST DECEMBER 2002**

The Financial Statements of the Union have been audited in accordance with the provisions of the Workplace Relations Act 1996 and the following Summary is provided for members in accordance with Section 279(2) of the Act.

A copy of the Auditor's Report, Accounts and Statements will be supplied free of charge to members who request same.

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

In accordance with the requirements of the Workplace Relations Act 1996 the attention of Members is drawn to the provisions of sub section (1), (2) and (3) of Section 274 which read as follows:

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

**AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
STATEMENT OF ASSETS & LIABILITIES
AS AT 31ST DECEMBER 2002**

	2002	2001
Accumulated Members Funds	<u>4,694,820</u>	<u>5,501,679</u>
Represented by		
Assets		
Current (see Notes 1 & 2)	942,197	756,683
Non Current	<u>6,263,403</u>	<u>6,790,351</u>
Total Assets	<u>7,205,600</u>	<u>7,547,034</u>
Less Liabilities		
Current	<u>2,510,780</u>	<u>2,045,355</u>
Total Liabilities	<u>2,510,780</u>	<u>2,045,355</u>
Net Assets	<u>4,694,820</u>	<u>5,501,679</u>

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
INCOME & EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2002

	2002	2001
Subscription Income	9,668,037	9,518,307
Certified Agreement Levy (see Note 1)	5,557	9,804
Public Education Levy (see Note 2)	506,710	517,111
Other Income	<u>90,770</u>	<u>165,139</u>
Total Income	10,271,074	10,210,361
Certified Agreement Levy	50,342	129,402
Public Education Levy	708,856	507,418
Other Expenditure	<u>10,293,010</u>	<u>9,571,525</u>
Total Expenditure	11,052,208	10,208,345
Operating Surplus for Period	(781,134)	2,016
Abnormal Item (see Note 3)	<u>(25,725)</u>	<u>3,085,843</u>
Surplus/(Loss) including Abnormal Items for the Period	<u>(806,859)</u>	<u>3,087,859</u>

- NOTES:
1. In March 1999 Branch Council decided to levy all Primary and Secondary sector members the amount of \$100 or pro rata for part time for the purpose of financing the Certified Agreement Campaign. The levy was due and payable by 30 June 1999

Funds from the levy are accounted for separately and can only be expended on activities related to the Certified Agreement Campaign.

The current assets figure of \$942,197 includes an amount of \$142,369 cash in the Certified Agreement Levy Fund.
 2. 1997 Branch Annual Conference determined to levy all members for the purpose of conducting the Public Education Campaign.

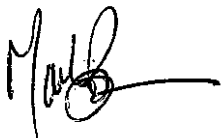
The levy applied for 3 years from 3 August 1997. The amount is \$20 pa for members employed 0.6 or more and \$10 pa for members employed 0.5 or less. On 5 August 2000 Branch Conference decided to continue the levy in its present form until the end of calendar year 2003.

The current assets figure of \$942,197 includes an amount of \$15,155 cash in the Public Education Campaign Fund.
 - 3 This amount is related to charges and expenses related to the loan and provision in investment on 112 Trenerry Crescent, Abbotsford.

Auditor's Certificate

I certify that the above Summary is a fair and accurate summary of the Report, Accounts and Statements of the Australian Education Union Victorian Branch for the year ended 31st December, 2002.

Our Auditor's Report dated 19th June, 2003 on the Accounts did not contain particulars of any deficiency, failure or shortcoming as referred to in the Workplace Relations Act 1996.

Charman Partners**Partner: Mark Peter Barson****Registered Company Auditor****Date: 19th June, 2003**

Suite 4
10-12 Chapel Street
Blackburn Victoria 3130
Email
mail@charmanpartners.com.au

Postal Address
PO Box 341
Blackburn Victoria 3130

Telephone
(03) 9878 8200
Facsimile
(03) 9878 8400

Directors
P.A. Tierney, FCA
N.G. Johnston, CPA
M.P. Barson, CA
W.C. Goodwin, CA



AUSTRALIAN INDUSTRIAL REGISTRY

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

Mr Robert Glare
Branch Secretary
Australian Education Union
Victorian Branch
PO Box 363
ABBOTSFORD VIC 3067

Dear Mr Glare,

**Re: Australian Education Union - Victorian Branch
Financial documents for year ended 31 December 2002 - FR2003/290**

I have received a letter from Mr Ernie Catchlove dated 4 July 2003 accompanied by a summary of the financial statements (and the full statements) of the Victorian Branch of the Australian Education Union for the year ended 31 December 2002. The documents were lodged in the Industrial Registry on 7 July 2003

The documents have been filed.

Please lodge the "full" financial statements in this office under cover of a certificate by the secretary, or other prescribed officer, within 14 days after their presentation to the second meeting held in accordance with the former s279(6)(a) of the Workplace Relations Act 1996.

I have enclosed for you an information sheet setting out the timeframes about financial reporting obligations of organisations.

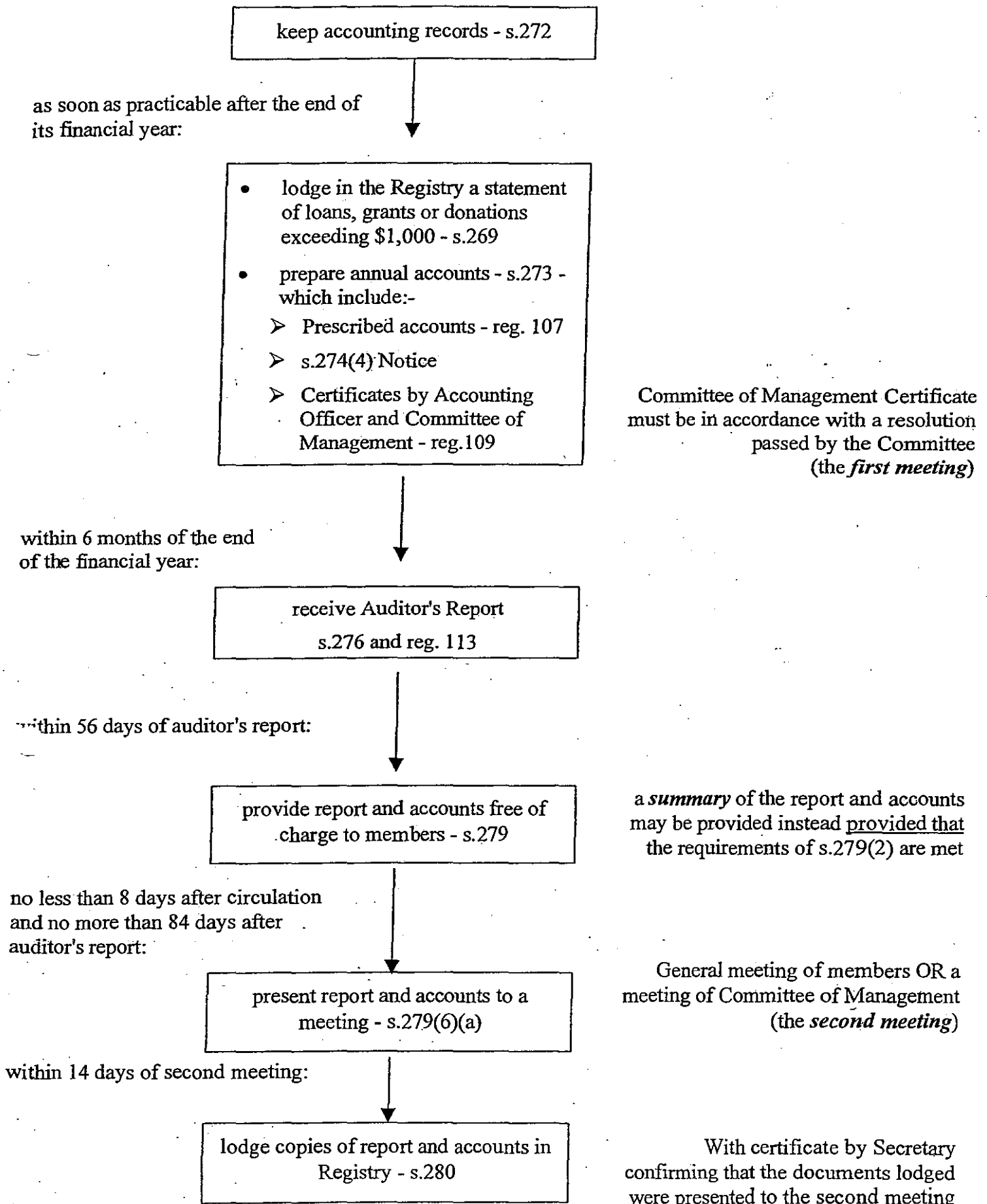
Yours sincerely,

Lynette Markovski

16 July 2003

WORKPLACE RELATIONS ACT 1996 - FINANCIAL REPORTING OBLIGATIONS

An organisation or a branch of an organisation must:





Australian Education Union

Victorian Branch

112 Trenerry Crescent, Abbotsford, 3067
Postal Address: PO Box 363, Abbotsford, 3067
Telephone: (03) 9417 2822 Fax: (03) 9417 6198
Toll Free: 1800 013 379 www.aeuvic.asn.au
E-mail: melbourne@aeuvic.asn.au
ABN: 44 673 398 674

FR 2003/290

8 September 2003

Industrial Registrar
Australian Industrial Registry - Organisations Branch
GPO Box 1994S
MELBOURNE Vic 3001

Dear Madam/Sir

Re: Financial Documents for the Australian Education Union Victorian Branch for the Year Ended 31 December 2002

In accordance with the provisions of Section 279(6) of the Workplace Relations Act 1996 the financial documents prepared pursuant to Section 273 were presented to Branch Council at its meeting on 6 September 2003.

A copy of the audited accounts and accompanying Secretary's Certificate are attached.

Yours sincerely

ROBERT E. GLARE
Branch Secretary



Australian Education Union

Victorian Branch

112 Trenerry Crescent, Abbotsford, 3067

Postal Address: PO Box 363, Abbotsford, 3067

Telephone: (03) 9417 2822 Fax: (03) 9417 6198

Toll Free: 1800 013 379 www.aeuvic.asn.au

E-mail: melbourne@aeuvic.asn.au

ABN: 44 673 398 674

SECRETARY'S CERTIFICATE

I, Robert E. Glare, Branch Secretary of the Australian Education Union Victorian Branch certify that the Branch Council of the aforementioned organisation assembled in meeting on 8 September 2003 and the documents as attached are copies of the documents presented at that meeting.

ROBERT E. GLARE
Branch Secretary
8 September 2003

CLIENT'S COPY

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

FINANCIAL REPORTS
AUDITOR'S STATEMENT

FOR THE YEAR ENDED
31ST DECEMBER 2002

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
ABN 44 673 398 674

STATEMENT OF FINANCIAL PERFORMANCE
YEAR ENDED 31ST DECEMBER 2002

	<u>Note</u>	<u>2002</u> \$	<u>2001</u> \$
Revenue from ordinary activities		10,271,074	10,210,361
Administration expenses		(9,763,027)	(9,165,243)
Occupancy expenses		(1,262,288)	(1,024,956)
Other expenses from ordinary activities		<u>(26,893)</u>	<u>(18,146)</u>
Profit from ordinary activities before income tax expense		(781,134)	2,016
Income tax expense relating to ordinary activities		<u>0</u>	<u>0</u>
Profit from ordinary activities after income tax expense		(781,134)	2,016
Investment in TFV Property Pty Ltd written back/(written off)		<u>(25,725)</u>	<u>3,085,843</u>
Net Profit/(Loss)		<u><u>(806,859)</u></u>	<u><u>3,087,859</u></u>

The accompanying notes form part of these financial statements.

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

ABN 44 673 398 674

STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER 2002

	<u>Note</u>	<u>2002</u> \$	<u>2001</u> \$
<u>CURRENT ASSETS</u>			
Cash Assets	4	396,378	337,799
Receivables	5	<u>545,819</u>	<u>418,884</u>
<u>TOTAL CURRENT ASSETS</u>		<u>942,197</u>	<u>756,683</u>
<u>NON-CURRENT ASSETS</u>			
Receivables	5	1,931,636	2,390,997
Investments	6 & 7	4,229,415	4,255,140
Property, Plant & Equipment	8	<u>102,352</u>	<u>144,214</u>
<u>TOTAL NON-CURRENT ASSETS</u>		<u>6,263,403</u>	<u>6,790,351</u>
<u>TOTAL ASSETS</u>		<u>7,205,600</u>	<u>7,547,034</u>
<u>CURRENT LIABILITIES</u>			
Payables	9	1,037,791	786,765
Interest Bearing Liabilities	10	0	10,068
Provisions	11	<u>1,472,989</u>	<u>1,248,522</u>
<u>TOTAL CURRENT LIABILITIES</u>		<u>2,510,780</u>	<u>2,045,355</u>
<u>TOTAL LIABILITIES</u>		<u>2,510,780</u>	<u>2,045,355</u>
<u>NET ASSETS</u>		<u>4,694,820</u>	<u>5,501,679</u>
<u>EQUITY</u>			
Accumulated Funds	12	<u>4,694,820</u>	<u>5,501,679</u>
<u>TOTAL EQUITY</u>		<u>4,694,820</u>	<u>5,501,679</u>

The accompanying notes form part of these financial statements.

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
ABN 44 673 398 674

STATEMENT OF CASH FLOWS
FOR YEAR ENDED 31ST DECEMBER 2002

	<u>Note</u>	<u>2002</u> \$	<u>2001</u> \$
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>			
Receipts from members and customers		10,244,019	10,016,903
Payments to suppliers and employees		(10,613,829)	(10,042,433)
Interest received		<u>9,518</u>	<u>47,883</u>
Net cash provided by (used in) operating activities	17(b)	<u><u>(360,292)</u></u>	<u><u>22,353</u></u>
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>			
Proceeds from sale of property, plant & equipment		2,644	1,865
Payment for property, plant & equipment		(33,065)	(82,911)
Loan to related party: Drawdowns/(Payments made)		<u>459,360</u>	<u>(1,032,560)</u>
Net cash provided by (used in) investing activities		<u>428,939</u>	<u>(1,113,606)</u>
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>			
Proceeds from borrowings		0	0
Repayment of borrowings		<u>(10,068)</u>	<u>(22,645)</u>
Net cash provided by (used in) financing activities		<u>(10,068)</u>	<u>(22,645)</u>
Net increase (decrease) in cash held		58,579	(1,113,898)
Cash at beginning of financial year		<u>337,799</u>	<u>1,451,697</u>
Cash at end of financial year	17(a)	<u><u>396,378</u></u>	<u><u>337,799</u></u>

The accompanying notes form part of these financial statements

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

ABN 44 673 398 674

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2002

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report covers Australian Education Union Victorian Branch as an individual entity.

The financial report has been prepared on an accrual basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Union in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Income Tax

No provision for income tax is necessary as "trade unions" are exempt from income tax under Section 23(f) of the Income Tax Assessment Act 1936.

(b) Property, Plant and Equipment

Property, plant and equipment are carried at cost or at independent valuation less, where applicable, any accumulated depreciation or amortisation. The carrying amount of property plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining the recoverable amount.

The depreciable amount of all fixed assets are depreciated over their useful lives commencing from the time the asset is held ready for use.

The gain or loss on disposal of all fixed assets, including revalued 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 operating result in the year/period of disposal.

(c) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Union are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

ABN 44 673 398 674

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2002

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

(c) Leases (cont)

estimated useful lives where it is likely that the Union will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives received under operating leases are recognised as a liability. Lease payments received reduced the liability.

(d) Employee Entitlements

Provision is made for the Union's liability for employee entitlements arising from services rendered by employees to balance date. 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. Provision for long service leave is made for all employees regardless of length of service.

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 these entitlements.

All provisions have been made on the basis of the employees' terms of employment.

Superannuation contributions are made by the Union to an employee superannuation fund and are charged as expenses when incurred.

(e) Unearned Revenue

The unearned revenue shown in the financial report relates to members subscriptions paid in advance as at the date of these financial statements. The unearned revenue will be brought to account as income in the next financial year.

(f) Cash

For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months and net of bank overdrafts.

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
ABN 44 673 398 674

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2002

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

(g) Goods and Services Tax

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

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cashflows are included in the statement of cash flows on a gross basis. The GST components of cashflows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows

	<u>2002</u>	<u>2001</u>
	S	S
<u>NOTE 2: REVENUE</u>		
Operating activities		
- Membership subscriptions and levies	10,180,304	10,045,222
- Interest	9,518	47,883
- Rendering of service	<u>78,608</u>	<u>115,391</u>
	10,268,430	10,208,496
Non operating activities		
- Proceeds on disposal of property, plant & equipment	<u>2,644</u>	<u>1,865</u>
Total Income	<u>10,271,074</u>	<u>10,210,361</u>
(a) Interest from		
- Other persons	<u>9,518</u>	<u>47,883</u>

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
ABN 44 673 398 674

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2002

	<u>2002</u>	<u>2001</u>
	\$	\$
<u>NOTE 3: PROFIT FROM ORDINARY ACTIVITIES</u>		
Profit from ordinary activities has been determined after:		
(a) Expenses		
Affiliation fees	745,962	725,443
Borrowing costs - other persons	0	0
Depreciation of non current assets - plant & equipment	74,928	94,064
Bad and doubtful debts - trade debtors	5,493	108
Remuneration of auditor - audit	12,775	14,625
- other services	0	0
	<u> </u>	<u> </u>
(b) Revenue and net gains		
Net gain/(loss) on disposal of plant and equipment	2,644	1,865
	<u> </u>	<u> </u>
(c) Significant revenue and expenses		
Write back/(off) of investment in TFV Property Pty Ltd	(25,725)	3,085,843
	<u> </u>	<u> </u>
<u>NOTE 4: CASH ASSETS</u>		
Cash at bank	391,924	159,541
Cash on hand	4,454	2,640
Short term deposits	0	175,618
	<u> </u>	<u> </u>
	<u>396,378</u>	<u>337,799</u>
<u>NOTE 5: RECEIVABLES</u>		
<u>Current</u>		
Members' Subscriptions	307,167	269,759
Prepaid expenses	216,537	121,611
Sundry debtors	27,548	27,514
Less : Provision for doubtful debts	(5,433)	0
	<u> </u>	<u> </u>
<u>Total Current</u>	<u>545,819</u>	<u>418,884</u>
<u>Non-current</u>		
Sundry debtors	2,250	2,250
Loan to TFV Property Pty Ltd	1,929,386	2,388,747
	<u> </u>	<u> </u>
<u>Total Non-current</u>	<u>1,931,636</u>	<u>2,390,997</u>

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
ABN 44 673 398 674

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2002

	<u>2002</u>	<u>2001</u>
	\$	\$
<u>NOTE 6: INVESTMENTS</u>		
Shares in TFV Property Pty Ltd - at cost	8,000,000	8,000,000
Increase in investment - additional shares allotted	<u>0</u>	<u>0</u>
	8,000,000	8,000,000
Less : Provision for diminution in value (Note 7)	<u>(3,770,585)</u>	<u>(3,744,860)</u>
	<u>4,229,415</u>	<u>4,255,140</u>

NOTE 7: SHARES IN TFV PROPERTY PTY LTD

During the 1998 year the Union was allotted additional share capital from TFV Property Pty Ltd of \$3,739,427. This amount offset part of the loan lent to TFV Property Pty Ltd.

The Union owns all of the issued capital of TFV Property Pty Ltd whose significant asset is the property situated at 112 Trenerry Crescent Abbotsford.

	<u>2002</u>	<u>2001</u>
	\$	\$
<u>NOTE 8: PROPERTY, PLANT & EQUIPMENT</u>		
Furniture, fittings and equipment : at cost	694,415	693,782
Less : Accumulated depreciation	<u>(592,063)</u>	<u>(549,568)</u>
	<u>102,352</u>	<u>144,214</u>

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

	Furniture and Equipment
Balance at beginning of year	144,214
Additions	33,065
Disposals	32,432
Revaluation increments/(decrements)	(32,432)
Depreciation expense	<u>(74,927)</u>
Carrying amount at end of year	<u>102,352</u>

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
ABN 44 673 398 674

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2002

	<u>2002</u>	<u>2001</u>
	\$	\$
<u>NOTE 9: PAYABLES</u>		
<u>Current</u>		
Unearned income : Members subscriptions paid in advance	366,252	343,703
Creditors	531,862	331,511
Net GST liability	139,677	111,551
	1,037,791	786,765
 <u>NOTE 10: INTEREST BEARING LIABILITIES</u>		
<u>Current</u>		
Hire Purchase Liabilities	0	10,068
 <u>NOTE 11: PROVISIONS</u>		
<u>Current</u>		
Provision for annual leave	731,521	504,570
Provision for sick leave	0	46,526
Provision for long service leave	741,468	697,426
	1,472,989	1,248,522
 <u>NOTE 12: EQUITY</u>		
<u>Accumulated funds</u>		
Opening balance	5,501,679	2,413,820
Add : Surplus (Loss) for the period	(806,859)	3,087,859
<u>Accumulated funds at 31st December</u>	4,694,820	5,501,679

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
ABN 44 673 398 674

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2002

NOTE 13: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with requirements of the Workplace Relations Act 1996, as amended, the attention of members is drawn to the provision of sub-sections (1), (2) and (3) of section 274 which read as follows:

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

NOTE 14: OFFICERS REMUNERATION

In accordance with Workplace Relations Regulations: Regulation 107 at (X1V), the total amount of remuneration to holders of office in the organisation for the year ended 31 December, 2002 was \$903,135.

NOTE 15: CONTINGENT LIABILITIES

Estimates of material amounts of contingent liabilities, not provided for in the accounts arising from:

- (a) guarantee by the union in respect of the secured bank facilities of TFV Property Pty Ltd \$1,700,000 (2001 \$1,700,000).

<u>2002</u>	<u>2001</u>
\$	\$

NOTE 16: OPERATING LEASING COMMITMENTS

Motor Vehicles

Non-cancellable operating leases contracted for but not capitalised in the accounts:

- not later than one year	211,576	245,395
- later than one year but not later than five years	304,388	282,147
- later than five years	<u>0</u>	<u>0</u>
Total leases commitments	<u>515,964</u>	<u>527,542</u>

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
ABN 44 673 398 674

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2002

	<u>2002</u>	<u>2001</u>
	\$	\$
<u>NOTE 17: CASH FLOW INFORMATION</u>		
(a) <u>Reconciliation of Cash</u>		
For the purpose of the Statement of Cash Flows, cash includes all cash on hand and cash held in at call deposits with maturity terms of two months or less with banks and financial institutions, net of any bank overdraft amounts.		
Cash at the end of the financial period is shown in the balance sheet as :		
Cash at bank	391,924	159,541
Cash on hand	4,454	2,640
Short term deposits	0	175,618
<u>TOTAL</u>	396,378	337,799
(b) <u>Reconciliation of cash flows from operations with operating deficiency</u>		
Operating surplus/(deficiency)	(806,859)	3,087,859
Non-cash flows in operating surplus/(deficiency)		
Provision for investment diminution	25,725	(3,085,843)
Depreciation	74,928	94,064
(Profit)/loss on sale of property, plant and equipment	(2,644)	(1,865)
	98,009	(2,993,644)
Changes in assets and liabilities		
(Increase) Decrease in trade and other debtors	(37,442)	(65,095)
(Increase) Decrease in prepayments	(94,926)	(48,788)
Increase (Decrease) in creditors and accruals	251,026	7,060
Increase (Decrease) in provisions	229,900	34,961
	348,558	(71,862)
<u>CASH FLOWS FROM OPERATIONS</u>	(360,292)	22,353

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
ABN 44 673 398 674

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2002

NOTE 18: PUBLIC EDUCATION CAMPAIGN LEVY

The 1997 Branch Conference determined that a levy of all members be struck in accordance with AEU Federal Rules for the purpose of funding the AEU Victorian Branch's Public Education Campaign.

A separate fund has been established for this purpose.

The levy was set at \$20 p.a. for members employed 0.6 and above and \$10 p.a. for members employed 0.5 or below.

The levy applied for three years commencing on 3rd August 1997. On 5th August 2000 Branch Conference decided to continue the levy in its present form until the end of the calendar year 2003.

	<u>2002</u>	<u>2001</u>
	\$	\$
Opening Balance	217,301	207,608
Add Funds collected from levy	492,597	510,521
Add Donation and Interest Income	14,113	6,590
	<u>506,710</u>	<u>517,111</u>
Total Funds Available	724,011	724,719
Less amounts paid for Public Education Campaign purposes	<u>(708,856)</u>	<u>(507,418)</u>
Funds Available for Public Education Campaign purposes as at 31 December	<u>15,155</u>	<u>217,301</u>
Public Education Bank Account at year end	12,350	19,387
Add amounts to be remitted to Public Education Account by AEU Vic Branch	<u>2,805</u>	<u>197,914</u>
	<u>15,155</u>	<u>217,301</u>
<u>Sources of Funds</u>		
Excess of income over campaign spending	0	9,693
Reduction in Bank account	7,037	138,780
Reduction in amount owing by AEU Vic Branch to Public Education Campaign	<u>195,109</u>	<u>0</u>
	<u>202,146</u>	<u>148,473</u>
<u>Application of Funds</u>		
Excess of Campaign spending over income	202,146	0
Increase in amounts owed by AEU Vic Branch	<u>0</u>	<u>148,473</u>
	<u>202,146</u>	<u>148,473</u>

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
ABN 44 673 398 674

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2002

NOTE 19: CERTIFIED AGREEMENT LEVY

Branch Council on 20th March 1999 determined that a levy of all members in the primary and secondary sectors be struck in accordance with AEU Federal Branch rules for the purpose of funding the AEU Victorian Branch's Certified Agreement Campaign.

A separate fund was established for this purpose.

The levy was set at \$100 per primary or secondary member with pro rata amounts applied to those employed part time.

The levy was due and payable by 30th June 1999.

	<u>2002</u>	<u>2001</u>
	\$	\$
Opening Balance	187,154	306,752
Add Funds collected from levy	0	0
Add Donation and Interest Income	5,557	9,804
	<u>5,557</u>	<u>9,804</u>
Total Funds Available	192,711	316,556
Less Amounts paid for Certified Agreement Levy purposes	<u>(50,342)</u>	<u>(129,402)</u>
Funds Available for Certified Agreement Levy purposes as at 31 December	<u>142,369</u>	<u>187,154</u>
Certified Agreement Levy Bank Account at year end	33,102	187,545
Add Amounts under(over)-remitted to Certified Agreement Levy Account by AEU Vic Branch	<u>109,267</u>	<u>(391)</u>
	<u>142,369</u>	<u>187,154</u>
<u>Sources of Funds</u>		
Reduction in Bank Account	154,443	140,108
AEU Vic Branch payments on behalf of Certified Agreement Levy	0	0
Repayment by AEU Vic Branch of amounts owing	<u>0</u>	<u>0</u>
	<u>154,443</u>	<u>140,108</u>
<u>Application of Funds</u>		
Increase in amount owed by AEU Vic Branch	109,267	0
Reduction in amount owed to AEU Vic Branch	391	20,510
Excess of campaign spending over income	<u>44,785</u>	<u>119,598</u>
	<u>154,443</u>	<u>140,108</u>

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
ABN 44 673 398 674

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2002

NOTE 20: FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The Union's exposure to interest rate risk, which is a risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate	
	<u>2002</u> %	<u>2001</u> %	<u>2002</u> \$	<u>2001</u> \$
<u>Financial Assets</u>				
Cash at bank	1.72	1.82	391,924	159,541
			Fixed Interest Rate Maturing Within 1 Year	
			<u>2002</u> \$	<u>2001</u> \$
<u>Financial Assets</u>				
Short term deposits	-	4.04	0	175,618
			Non Interest Bearing	
			<u>2002</u> \$	<u>2001</u> \$
<u>Financial Assets</u>				
Receivables	-	-	2,477,455	2,809,881
Investments	-	-	<u>4,229,415</u>	<u>4,255,140</u>
Total Financial Assets			<u><u>7,098,794</u></u>	<u><u>7,400,180</u></u>
			Fixed Interest Rate Maturing Within 1 Year	
			<u>2002</u> \$	<u>2001</u> \$
<u>Financial Liabilities</u>				
HP liabilities	-	6.85	0	10,068
			Fixed Interest Rate Maturing 1 to 5 Years	
			<u>2002</u> \$	<u>2001</u> \$
<u>Financial Liabilities</u>				
HP liabilities	-	-	0	0
			Non Interest Bearing	
			<u>2002</u> \$	<u>2001</u> \$
<u>Financial Liabilities</u>				
Sundry Creditors	-	-	<u>1,037,791</u>	<u>786,765</u>
Total Financial Liabilities			<u><u>1,037,791</u></u>	<u><u>796,833</u></u>

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
ABN 44 673 398 674

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2002

NOTE 20: FINANCIAL INSTRUMENTS (cont)

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to and forming part of the financial statements.

The Union does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Union.

(c) Net Fair Values

The net fair value of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the Union intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to and forming part of the financial statements.

NOTE 21: ENTITY DETAILS

The principal place of business of the entity is:

Australian Education Union
Victorian Branch
112 Trennery Crescent
Abbotsford Vic 3067



Australian Education Union

Victorian Branch

112 Trenerry Crescent, Abbotsford, 3067

Postal Address: PO Box 363, Abbotsford, 3067

Telephone: (03) 9417 2822 Fax: (03) 9417 6198

Toll Free: 1800 013 379 www.aeuvic.asn.au

E-mail: melbourne@aeuvic.asn.au

ABN: 44 673 398 674

ACCOUNTING OFFICER'S CERTIFICATE

I, Robert E. Glare, being the officer responsible for keeping the accounting records of the Australian Education Union Victorian Branch certify that at 31 December 2002 the number of members of the organisation was 27,714.

In my opinion:

- (i) the attached accounts show a true and fair view of the financial affairs of the organisation as at 31st December 2002;
- (ii) a record has been kept of all monies paid by or collected from members and all monies so paid or collected have been credited to the bank account to which those monies are to be credited, in accordance with the Branch rules;
- (iii) before any expenditure was incurred approval was obtained in accordance with the rules of the organisation;
- (iv) with regard to funds of the organisation raised by compulsory levies or voluntary contributions from members or funds other than the General Fund operating in accordance with the rules, no payments were made out of any such funds for purposes other than those for which the Fund was intended;
- (v) no loans or other financial benefits were made to persons holding office in the organisation;
- (vi) a register of members of the organisation was maintained in accordance with the Act.

ROBERT E. GLARE

6 June 2003



Australian Education Union

Victorian Branch

112 Trenerry Crescent, Abbotsford, 3067

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ABN: 44 673 398 674

BRANCH COUNCIL CERTIFICATE

We, Jodi Watt and Christine Stewart, being two members of the Branch Council of the Australian Education Union Victorian Branch, do state on behalf of the Council and in accordance with a resolution passed by the Branch Council on 14 June 2003 that:

- (i) in the opinion of the Branch Council, the attached accounts show a true and fair view of the financial affairs of the organisation as at 31 December 2002;
- (ii) in the opinion of the Branch Council, meetings of the Council were held during the period ended 31 December 2002 in accordance with the rules of the organisation;
- (iii) to the knowledge of any member of the Branch Council, there have been no instances where financial records of the organisation or other documents (not being documents containing information made available to a member of the organisation under sub-section 274(2) of the Workplace Relations Act 1996), or copies of these records or documents, or copies of the rules of the organisation, have not been furnished or made available to members in accordance with the requirements of the Workplace Relations Act 1996 as amended, the Regulations thereto, or the rules of the organisation.
- (iv) the organisation has complied with the requirements of section 279 of the Workplace Relations Act 1996 in relation to the financial accounts for the period ended 31 December 2001 and the Auditor's Report thereon.

JODI WATT

CHRISTINE STEWART

16 June 2003

Accountants & Advisors

**AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
ABN 44 673 398 674****AUDIT REPORT TO THE MEMBERS OF
AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH**

We have audited the financial report of the Australian Education Union Victorian Branch for the financial year ended 31st December 2002. The Branch Secretary is responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Union.

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

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

Audit Opinion

- (a) In our opinion
- (i) there were kept by the Union in relation to the year satisfactory accounting records including:
 - (A) records of the sources and nature of the income of the organisation (including income from members); and
 - (B) records of the nature and purposes of the expenditure of the organisation; and
 - (ii) the accounts and statements prepared under section 273 of the Workplace Relations Act 1996 were properly drawn up so as to give a true and fair view of:
 - (A) the financial affairs of the organisation as at the end of the year; and
 - (B) the income and expenditure, and any surplus or deficit, of the organisation for the year; and
 - (iii) the financial statements are properly drawn up in accordance with applicable Accounting Standards and other mandatory professional reporting requirements.
- (b) All information and explanations that, under section 276(2) of the Workplace Relations Act 1996 officers or employees of the organization were required to provide were provided.



Charman Partners
Partner : M P Barson
Registered Company Auditor

Date: 19th June 2003

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Australian Education Union

Victorian Branch

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12/9/03

ATTENTION LYN

8 September 2003

Industrial Registrar
Australian Industrial Registry - Organisations Branch
GPO Box 1994S
MELBOURNE Vic 3001

Dear Madam/Sir

Re: Financial Documents for the Australian Education Union Victorian Branch for the Year Ended 31 December 2002

In accordance with the provisions of Section 279(6) of the Workplace Relations Act 1996 the financial documents prepared pursuant to Section 273 were presented to Branch Council at its meeting on 6 September 2003.

A copy of the audited accounts and accompanying Secretary's Certificate are attached.

Yours sincerely

ROBERT E. GLARE
Branch Secretary

DEAR LYN, PER YOUR PHONE CALL TODAY YOU INDICATED THE "INCOME & EXPENDITURE" STATEMENT APPEARED TO BE MISSING.

- ATTACHED IS THE "STATEMENT OF FINANCIAL PERFORMANCE" WHICH SHOULD HAVE BEEN INCLUDED IN THE REPORTS SENT TO YOUR OFFICE.

IN ADDITION I HAVE INCLUDED A COPY OF THE "INCOME AND EXPENDITURE STATEMENT" FOR THE PRIVATE INFORMATION OF THE MEMBERS. I DO NOT BELIEVE WE ARE REQUIRED TO SUPPLY THIS, BUT AS WE MAY HAVE IN THE PAST, (AND YOU MAY THEREFORE

BE MISSING IT) IT IS ENCLOSED.
Regards Ernie CATCHLOVE

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
ABN 44 673 398 674

STATEMENT OF FINANCIAL PERFORMANCE
YEAR ENDED 31ST DECEMBER 2002

	<u>Note</u>	<u>2002</u> \$	<u>2001</u> \$
Revenue from ordinary activities		10,271,074	10,210,361
Administration expenses		(9,763,027)	(9,165,243)
Occupancy expenses		(1,262,288)	(1,024,956)
Other expenses from ordinary activities		<u>(26,893)</u>	<u>(18,146)</u>
Profit from ordinary activities before income tax expense		(781,134)	2,016
Income tax expense relating to ordinary activities		<u>0</u>	<u>0</u>
Profit from ordinary activities after income tax expense		(781,134)	2,016
Investment in TFV Property Pty Ltd written back/(written off)		<u>(25,725)</u>	<u>3,085,843</u>
Net Profit/(Loss)		<u>(806,859)</u>	<u>3,087,859</u>

The accompanying notes form part of these financial statements.

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

ABN 44 673 398 674

PRIVATE INFORMATION FOR THE MEMBERS
ON THE 2002 FINANCIAL STATEMENTS

INCOME AND EXPENDITURE STATEMENT
YEAR ENDED 31ST DECEMBER 2002

	<u>Note</u>	<u>2002</u> <u>\$</u>	<u>2001</u> <u>\$</u>
<u>INCOME</u>			
Advertising		0	74,837
Certified Agreement Levy	19	5,557	9,804
Interest		9,518	47,883
Membership Subscriptions		9,668,037	9,518,307
Other Income		78,608	40,554
Profit/(Loss) on Sale of Furniture & Equipment		2,644	1,865
Property Income : Trenerry Crescent		0	0
Public Education Campaign levy	18	506,710	517,111
<u>TOTAL INCOME</u>		<u>10,271,074</u>	<u>10,210,361</u>
<u>EXPENSES</u>			
Affiliation Fees		745,962	725,443
Campaigns			
Certified Agreement Levy	19	50,342	129,402
Other Campaigns		25,494	62,695
Public Education Campaign Levy	18	708,856	507,418
Communications : Telephone, Fax & Internet		144,857	129,358
Conferences			
Annual Conference		10,104	4,904
Other Conferences & Forums		18,191	16,704
Donations		680	1,450
Equipment			
Furniture, Computer & Equipment Sundry Items		37,251	44,985
Depreciation	8	74,928	94,064
Hire Purchase Charges		306	1,416
Lease & Rental Costs		55,375	1,828
Maintenance Of Computers & Equipment		42,102	59,111
Functions and Farewells		6,394	4,744
Legal Expenses		264,022	161,619
Library/Information Services		20,859	18,512
Membership Services		187,022	147,249
Motor Vehicle Fleet Costs		445,623	421,226
Miscellaneous		1,971	2,224

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

ABN 44 673 398 674

PRIVATE INFORMATION FOR THE MEMBERS
ON THE 2002 FINANCIAL STATEMENTS

INCOME AND EXPENDITURE STATEMENT
YEAR ENDED 31ST DECEMBER 2002

	<u>Note</u>	<u>2002</u>	<u>2001</u>
		<u>\$</u>	<u>\$</u>
Office Expenses			
Administration General		0	0
Audit		12,775	14,625
Bad Debts Written Off		60	108
Bank Charges		12,355	9,620
Office Requisites & Paper		55,677	71,928
Postage		20,714	18,910
Provision for Doubtful Debts		5,433	0
Subscription Collection Costs		50,104	55,825
Publications		344,137	450,409
Regional Offices : Rent, Rates, Telephone, etc		142,029	165,915
Rent and Outgoings : Trenerry Crescent		1,052,326	823,552
Salaries			
Annual Leave		226,951	73,591
Fringe Benefits Tax		65,270	69,920
Insurance		24,975	24,101
Leadership & Others		4,595,895	4,259,904
Long Service Leave		44,043	96,720
Other Salary Costs		119,086	291,674
Payroll Tax		294,988	275,448
Redundancy Payments		0	0
Sick Leave		(46,526)	(102,214)
Superannuation		837,938	774,236
Training		10,344	5,881
Workcover		86,311	49,659
Structures		216,920	210,307
Travel Expenses		40,064	33,874
<u>TOTAL EXPENSES</u>		<u>11,052,208</u>	<u>10,208,345</u>

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

ABN 44 673 398 674

PRIVATE INFORMATION FOR THE MEMBERS
ON THE 2002 FINANCIAL STATEMENTS

INCOME AND EXPENDITURE STATEMENT
YEAR ENDED 31ST DECEMBER 2002

	<u>Note</u>	<u>2002</u> S	<u>2001</u> S
<u>OPERATING SURPLUS(LOSS) BEFORE</u> <u>ABNORMAL ITEMS</u>		<u>(781,134)</u>	<u>2,016</u>
<u>Less: ABNORMAL ITEMS</u>			
Investment written-off	3	25,725	(3,085,843)
Provision/(Recovery) of doubtful debt : TFV Property Pty Ltd		<u>0</u>	<u>0</u>
<u>TOTAL ABNORMAL ITEMS</u>		<u>25,725</u>	<u>(3,085,843)</u>
<u>SURPLUS (LOSS) AND ABNORMAL ITEMS</u> <u>FOR THE YEAR</u>		<u>(806,859)</u>	<u>3,087,859</u>



AUSTRALIAN INDUSTRIAL REGISTRY

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Mr Robert Glare
Branch Secretary
Australian Education Union
Victorian Branch
PO Box 363
ABBOTSFORD VIC 3067

Dear Mr Glare

**Re: Australian Education Union - Victorian Branch
Financial documents for year ended 31 December 2002 - FR2003/290**

I have received your letter dated 8 September 2003 together with the full financial documents of the above named branch for the year ended 31 December 2002. The documents were lodged in the Industrial Registry on 11 September 2003

The documents have been filed.

With regard to the lodgement of the Branch's income and expenditure statement, I direct your attention to the requirement of subsection 273(1) of the Workplace Relations Act 1996. Under that subsection an organisation is required, as soon as practicable after the end of each financial year, to prepare such accounts and other statements as are prescribed. For the purposes of subsection 273(1), the prescribed accounts include "an account of all the income and expenditure of the organisation during the financial year" (see sub regulation 107(a) of the Workplace Relations Regulations). Please note that this matter is raised for the purpose of providing assistance in the future preparation of financial documents. No further action is required in respect for the subject documents.

Should you have any queries concerning these matters or require further information regarding the financial requirements of the Act, I may be contacted on (03) 8661 7988.

Yours sincerely,

Lynette Markovski

16 September 2003
cc Ernie Catchlove.