



Australian Education Union

Victorian Branch

112 Trenerry Crescent, Abbotsford, 3067

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ABN: 44 673 398 674

11 June 2004

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 2003

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 4 June 2004 resolved to provide its members with a summary of the report, accounts and statements for the financial year ended 31st December 2003.

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



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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 2003 the number of members of the organisation was 28,742.

In my opinion:

- (i) the attached accounts show a true and fair view of the financial affairs of the organisation as at 31st December 2003;
- (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.

A handwritten signature in black ink that reads "Robert E. Glare".

ROBERT E. GLARE
4 June 2004



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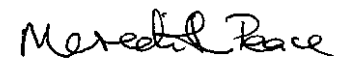
ABN: 44 673 398 674

BRANCH COUNCIL CERTIFICATE

We, Shayne Quinn and Meredith Peace, 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 4 June 2004 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 2003;
- (ii) in the opinion of the Branch Council, meetings of the Council were held during the period ended 31 December 2003 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 2002 and the Auditor's Report thereon.


SHAYNE QUINN


MEREDITH PEACE

8 June 2004

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2003**

		2003 \$	2002 \$
Sales revenue	2	-	-
Cost of sales		-	-
Gross profit		-	-
Other revenues from ordinary activities	2	11,119,808	10,271,074
Distribution expenses			
Marketing expenses			
Occupancy expenses		(1,241,551)	(1,262,288)
Administration expenses		(9,180,245)	(9,763,027)
Borrowing costs expense	3	-	-
Other expenses from ordinary activities		(16,895)	(26,893)
Profit (loss) from ordinary activities before income tax expense	3	681,117	(781,134)
Net profit from ordinary activities after income tax expense attributable to members of the company		<u>681,117</u>	<u>(781,134)</u>
Investment in TFV Property Pty Ltd written back/(written off)		<u>73,723</u>	<u>(25,725)</u>
Total changes in equity other than those resulting from transactions with owners as owners	11	<u>754,840</u>	<u>(806,859)</u>

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2003

		2003	2002
		\$	\$
CURRENT ASSETS			
Cash assets	4	457,401	396,378
Receivables	5	431,892	329,282
Other	6	262,979	216,537
TOTAL CURRENT ASSETS		<u>1,152,272</u>	<u>942,197</u>
NON-CURRENT ASSETS			
Receivables	5	2,371,972	1,931,636
Other financial assets	7	4,303,138	4,229,415
Property, plant and equipment	8	98,691	102,352
TOTAL NON-CURRENT ASSETS		<u>6,773,801</u>	<u>6,263,403</u>
TOTAL ASSETS		<u>7,926,073</u>	<u>7,205,600</u>
CURRENT LIABILITIES			
Payables	9	1,034,418	1,037,791
Provisions	10	1,441,995	1,472,989
TOTAL CURRENT LIABILITIES		<u>2,476,413</u>	<u>2,510,780</u>
NON-CURRENT LIABILITIES			
Provisions	10	-	-
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>2,476,413</u>	<u>2,510,780</u>
NET ASSETS		<u>5,449,660</u>	<u>4,694,820</u>
EQUITY			
Retained profits	11	5,449,660	4,694,820
TOTAL EQUITY		<u>5,449,660</u>	<u>4,694,820</u>

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2003

	2003	2002
	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	11,014,300	10,244,019
Payments to suppliers and employees	(10,472,522)	(10,613,829)
Interest received	16,318	9,518
Borrowing costs paid	-	-
Net cash provided by (used in) operating activities	18b 558,096	(360,292)
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	5,114	2,644
Payment for property, plant and equipment	(61,851)	(33,065)
Loans to related parties		
— payments made	(440,336)	-
Loans to related parties		
— proceeds from repayments	-	459,360
Net cash provided by (used in) investing activities	(497,073)	428,939
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings	-	(10,068)
Net cash provided by (used in) financing activities	-	(10,068)
Net increase in cash held	61,023	58,579
Cash at beginning of year	396,378	337,799
Cash at end of year	18a 457,401	396,378

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

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, 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 accruals 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 AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a. Income Tax

Australian Education Union Victorian Branch is a trade union and 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

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of 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 recoverable amounts.

Depreciation

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

The depreciation rates used for each class of assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	10 - 40%

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 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 reduce the liability.

d. Investments

Non-current investments are measured on the cost basis. The carrying amount of investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for shares in listed companies or the underlying net assets for other non-listed corporations. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

e. Employee Benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date.

Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Provision for long service leave is made for all employees regardless of length of service. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH to an employee superannuation fund and are charged as expenses when incurred.

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.

g. Revenue

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

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

h. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax 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 statement of financial position are shown inclusive of GST.

Note 2 Revenue

		2003 \$	2002 \$
Operating activities			
— membership subscriptions and levies		11,054,449	10,180,304
— dividends	2a	-	-
— interest	2b	16,318	9,518
— rendering of services		43,927	78,608
		<u>11,114,694</u>	<u>10,268,430</u>
Non-operating activities			
— proceeds on disposal of property, plant and equipment		5,114	2,644
— proceeds on disposal of investments		<u>5,114</u>	<u>2,644</u>
Total revenue		<u>11,119,808</u>	<u>10,271,074</u>
a. Dividends from			
— other corporations		-	-
b. Interest from			
— director-related entities		-	-
— other persons		16,318	9,518
— directors		-	-
		<u>16,318</u>	<u>9,518</u>

Note 3 Profit from Ordinary Activities

	2003 \$	2002 \$
Profit from ordinary activities before income tax expense has been determined after:		
a. Expenses		
affiliation fees	765,734	745,962
Borrowing costs		
— other persons	-	-
Total borrowing costs	<u>-</u>	<u>-</u>
Depreciation of non-current assets		
— plant and equipment	65,512	74,928
Total depreciation	<u>65,512</u>	<u>74,928</u>
Bad and doubtful debts		
— trade debtors	30	5,493
Total bad and doubtful debts	<u>30</u>	<u>5,493</u>
Write down of shares in other corporations to recoverable amount		
Remuneration of auditor		
— audit or review	15,355	12,775
— other services	-	-
Remuneration for other services to related practices of the auditor	<u>-</u>	<u>-</u>
b. Revenue and Net Gains		
Net gain on disposal of plant and equipment	5,114	2,644
Net gain on disposal of investments	<u>-</u>	<u>-</u>
c. Significant Revenues and Expenses		
The following revenue and expense items are relevant in explaining the financial performance		
Write back/(off) of investment in TFV Property Pty Ltd	<u>73,723</u>	<u>(25,725)</u>

Note 4 Cash Assets

	2003 \$	2002 \$
Cash at bank	455,274	391,924
Cash on hand	2,127	4,454
Deposits at call	-	-
	<u>457,401</u>	<u>396,378</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

Note 5 Receivables

	2003	2002
	\$	\$
CURRENT		
Sundry debtors	83,518	27,548
Provision for doubtful debts	-	(5,433)
	<u>83,518</u>	<u>22,115</u>
Members' subscriptions	348,374	307,167
	<u>348,374</u>	<u>307,167</u>
	<u>431,892</u>	<u>329,282</u>
NON-CURRENT		
Sundry debtors	2,250	2,250
Loan to TFV Property Pty Ltd	2,369,722	1,929,386
	<u>2,371,972</u>	<u>1,931,636</u>

Note 6 Other Assets

	2003	2002
	\$	\$
CURRENT		
Prepayments	262,979	216,537
	<u>262,979</u>	<u>216,537</u>

Note 7 Other Financial Assets

	2003	2002
	\$	\$
Shares in TFV Property Pty Ltd — at cost	8,000,000	8,000,000
Less: Provision for write-down to recoverable amount	(3,696,862)	(3,770,585)
	<u>4,303,138</u>	<u>4,229,415</u>

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 Trennery Crescent Abbotsford.

Note 8 Property, Plant & Equipment

	2003	2002
	\$	\$
Plant and equipment at cost	378,056	694,415
Less accumulated depreciation	279,365	592,063
	<u>98,691</u>	<u>102,352</u>
Total Plant and Equipment	<u>98,691</u>	<u>102,352</u>
Total Property, Plant and Equipment	<u>98,691</u>	<u>102,352</u>

a. Movements in Carrying Amounts

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

	Plant and Equipment	Total
	\$	\$
Balance at the beginning of the year	102,352	102,352
Additions	61,851	61,851
Disposals	378,210	378,210
Revaluation increments/(decrements)	(378,210)	(378,210)
Depreciation expense	(65,512)	(65,512)
Capitalised borrowing costs and depreciation	-	-
Carrying amount at the end of the year	<u>98,691</u>	<u>98,691</u>

Note 9 Payables

	2003	2002
	\$	\$
CURRENT		
Unearned Income - Members subscriptions paid in advance	379,353	366,252
Sundry creditors	491,108	531,862
Net GST liability	163,957	139,677
	<u>1,034,418</u>	<u>1,037,791</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

Note 10 Provisions

		2003 \$	2002 \$
CURRENT			
Employee benefits - annual leave	10a	650,834	731,521
Employee benefits - long service leave	10a	791,161	741,468
		<u>1,441,995</u>	<u>1,472,989</u>
NON-CURRENT			
Employee benefits	10a	-	-
a. Aggregate employee benefit liability		<u>1,441,995</u>	<u>1,472,989</u>
b. Number of employees at year end		<u>84</u>	<u>84</u>

Note 11 Retained Profits

		2003 \$	2002 \$
Retained profits at the beginning of the financial year		4,694,820	5,501,679
Net profit attributable to members of the company		754,840	(806,989)
Retained profits at the end of the financial year		<u>5,449,660</u>	<u>4,694,820</u>

Note 12 Capital & Leasing Commitments

		2003 \$	2002 \$
a. Operating Lease Commitments			
Non-cancellable operating leases contracted for but not capitalised in the financial statements:			
Payable			
—not later than 1 year		230,827	211,576
—later than 1 year but not later than 5 years		291,178	304,388
—later than 5 years		-	-
		<u>522,005</u>	<u>515,964</u>

Note 13 Contingent Liabilities

		2003 \$	2002 \$
Estimates of the maximum amounts of contingent liabilities that may become payable:			
Guarantees			
— guarantee by the Union in respect of the secured bank facilities of TFFV Property Pty Ltd.		1,000,000	1,700,000
Other			
— autopay arrangement		180,000	180,000

Note 14 Events Subsequent to Reporting Date

Since the end of the financial year AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH has determined that a bonus will be paid to all staff. This bonus is based on the provisions set out in the Certified Agreement applicable to employees of the Union. The amount to be paid in the 2004 year will be \$375,332.

Note 15 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 provisions 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 16 Officers Remuneration

In accordance with Workplace Relations Regulations: Regulation 107 at (XIV), the total amount of remuneration to holders of office in the organisation for the year ended 31 December 2003 was \$975,736.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

Note 17 Levies

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 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. On 19th July 2003 Branch Conference extended the levy in its present form until the end of the calendar year 2006.

	2003	2002
	\$	\$
Opening Balance	15,155	217,301
Add funds collected from levy	559,744	492,597
Add donation and interest income	5,157	14,113
	<u>564,901</u>	<u>506,710</u>
Total funds available	580,056	724,011
Less amounts paid for Public Education purposes	(416,835)	(708,856)
Funds available for Public Education campaign purposes as at 31 December	<u>163,221</u>	<u>15,155</u>
Public Education bank account at year end	<u>211,707</u>	<u>12,350</u>
Add amounts under/(over) remitted to Public Education account by AEU Vic Branch	(48,486)	2,805
	<u>163,221</u>	<u>15,155</u>
<u>Source of funds</u>		
Excess of income over campaign spending	148,066	-
Reduction in bank account	-	7,037
Increase in amount owing by Public Education Campaign to AEU Vic Branch	48,486	-
Reduction in amount owing by AEU Vic Branch to Public Education Campaign	2,805	195,109
	<u>199,357</u>	<u>202,146</u>
<u>Application of funds</u>		
Excess of campaign spending over income	-	202,146
Increase in bank account	199,357	-
	<u>199,357</u>	<u>202,146</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

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.

	2003	2002
	\$	\$
Opening Balance	142,369	187,154
Add donation and interest income	1,885	5,557
Total funds available	<u>144,254</u>	<u>192,711</u>
Less amounts paid for Certified Agreement Levy purposes	-	(50,342)
Funds available for Certified Agreement Levy purposes as at 31 December	<u>144,254</u>	<u>142,369</u>
Certified Agreement Levy bank account at year end	10,586	33,102
Add amounts under/(over) remitted to Certified Agreement Levy account by AEU Vic Branch	133,668	109,267
	<u>144,254</u>	<u>142,369</u>
<u>Source of funds</u>		
Reduction in bank account	22,516	154,443
Donation and interest income	1,885	-
	<u>24,401</u>	<u>154,443</u>
<u>Application of funds</u>		
Excess of campaign spending over income	-	44,785
Reduction in amount owed to AEU Vic Branch	-	391
Increase in amounts owed by AEU Vic Branch	24,401	109,267
	<u>24,401</u>	<u>154,443</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

Note 18 Cash Flow Information

	2003 \$	2002 \$
a. Reconciliation of Cash		
Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash on hand	457,401	396,378
At call deposits with financial institutions	-	-
Bank overdrafts — secured	-	-
	<u>457,401</u>	<u>396,378</u>
b. Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax		
Profit (loss) from ordinary activities after income tax	754,840	(806,859)
Non-cash flows in profit from ordinary activities		
Amortisation	-	-
Depreciation	65,512	74,928
Provision for investment diminution	(73,723)	25,725
Net gain on disposal of plant and equipment	(5,114)	(2,644)
Net gain on disposal of investments	-	-
Changes in assets and liabilities, net of the effects of purchase and disposals of subsidiaries		
(Increase)/decrease in receivables	(97,177)	(37,442)
(Increase)/decrease in other assets	(46,442)	(94,926)
Increase/(decrease) in payables	(3,373)	251,026
Increase/(decrease) in provisions	(36,427)	229,900
Cash flows from operations	<u>558,096</u>	<u>(360,292)</u>
c. Non-cash Financing and Investing Activities		
Property, plant and equipment		
During the financial year the company acquired plant and equipment with an aggregate fair value of \$0 (2002: \$0) by means of hire purchase agreements.		
d. Credit Stand-by Arrangement and Loan Facilities		
The company has a bank overdraft and commercial bill facility amounting to \$0 (2002: \$0).		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

Note 19 Financial Instruments

a. Interest Rate Risk

The Union's exposure to interest rate risk, which is the 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		Fixed Interest Rate Maturing			
					Within 1 Year		1 to 5 Years	
	2003	2002	2003	2002	2003	2002	2003	2002
Financial Assets	%	%	\$	\$	\$	\$	\$	\$
Cash at bank	3.9	1.7	455,274	391,924	-	-	-	-
Deposits at call	-	-	-	-	-	-	-	-
Total Financial Assets			455,274	391,924				
Financial Liabilities								
Bank overdraft secured	-	-	-	-	-	-	-	-
Bank bills secured	-	-	-	-	-	-	-	-
Bank loan secured	-	-	-	-	-	-	-	-
Lease Liabilities	-	-	-	-	-	-	-	-
Total Financial Liabilities								

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 statement of financial position and notes to the financial statements.

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH.

c. Net Fair Values

The net fair values 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 statement of financial position and in the notes to the financial statements.

Note 20 Company Details

The registered office and principal place of business of the company is:

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
112 Trennery Crescent

ABBOTSFORD VIC

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

ABN 44 673 398 674

PRIVATE INFORMATION FOR THE MEMBERS
ON THE 2003 FINANCIAL STATEMENTS

INCOME AND EXPENDITURE STATEMENT
YEAR ENDED 31ST DECEMBER 2003

	<u>Note</u>	<u>2003</u> \$	<u>2002</u> \$
<u>INCOME</u>			
Advertising		0	0
Certified Agreement Levy	17	1,885	5,557
Interest		16,318	9,518
Membership Subscriptions		10,487,663	9,668,037
Other Income		43,927	78,608
Profit/(Loss) on Sale of Furniture & Equipment		5,114	2,644
Property Income : Trenerry Crescent		0	0
Public Education Campaign levy	17	564,901	506,710
<u>TOTAL INCOME</u>		<u>11,119,808</u>	<u>10,271,074</u>
<u>EXPENSES</u>			
Affiliation Fees		765,734	745,962
Campaigns			
Certified Agreement Levy	17	0	50,342
Other Campaigns		64,050	25,494
Public Education Campaign Levy	17	416,835	708,856
Communications : Telephone, Fax & Internet		125,169	144,857
Conferences			
Annual Conference		3,108	10,104
Other Conferences & Forums		20,808	18,191
Donations		2,120	680
Equipment			
Furniture, Computer & Equipment Sundry Items		23,712	37,251
Depreciation	8	65,512	74,928
Hire Purchase Charges		0	306
Lease & Rental Costs		48,317	55,375
Maintenance Of Computers & Equipment		53,983	42,102
Functions and Farewells		7,229	6,394
Legal Expenses		291,957	264,022
Library/Information Services		17,819	20,859
Membership Services		232,346	187,022
Motor Vehicle Fleet Costs		370,976	445,623
Miscellaneous		4,805	1,971

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
ABN 44 673 398 674

PRIVATE INFORMATION FOR THE MEMBERS
ON THE 2003 FINANCIAL STATEMENTS

INCOME AND EXPENDITURE STATEMENT
YEAR ENDED 31ST DECEMBER 2003

	<u>Note</u>	<u>2003</u> \$	<u>2002</u> \$
Office Expenses			
Administration General		0	0
Audit		15,355	12,775
Bad Debts Written Off		30	60
Bank Charges		2,711	12,355
Office Requisites & Paper		61,808	55,677
Postage		27,846	20,714
Provision for Doubtful Debts		0	5,433
Subscription Collection Costs		54,600	50,104
Publications		389,592	344,137
Regional Offices : Rent, Rates, Telephone, etc		145,197	142,029
Rent and Outgoings : Trenerry Crescent		1,050,027	1,052,326
Salaries			
Annual Leave		(76,999)	226,951
Fringe Benefits Tax		28,414	65,270
Insurance		108,038	24,975
Leadership & Others		4,432,528	4,595,895
Long Service Leave		89,359	44,043
Other Salary Costs		114,617	119,086
Payroll Tax		264,859	294,988
Sick Leave		28,105	(46,526)
Staff Benefits Reserve		94,516	0
Superannuation		703,760	837,938
Training		21,004	10,344
Workcover		100,716	86,311
Structures		232,430	216,920
Travel Expenses		35,698	40,064
<u>TOTAL EXPENSES</u>		<u>10,438,691</u>	<u>11,052,208</u>
<u>OPERATING SURPLUS(LOSS) BEFORE</u> <u>ABNORMAL ITEMS</u>		<u>681,117</u>	<u>(781,134)</u>
<u>Less: ABNORMAL ITEMS</u>			
Investment written-off/(written back)	3	(73,723)	25,725
Provision/(Recovery) of doubtful debt : TFV Property Pty Ltd		0	0
<u>TOTAL ABNORMAL ITEMS</u>		<u>(73,723)</u>	<u>25,725</u>
<u>SURPLUS (LOSS) AND ABNORMAL ITEMS</u> <u>FOR THE YEAR</u>		<u>754,840</u>	<u>(806,859)</u>

**SUMMARY OF THE FINANCIAL STATEMENTS OF THE
AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
FOR THE YEAR ENDED 31ST DECEMBER 2003**

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 2003**

	2003	2002
Accumulated Members Funds	<u>5,449,660</u>	<u>4,694,820</u>
Represented by		
Assets		
Current (see Notes 1 & 2)	1,152,272	942,197
Non Current	<u>6,773,801</u>	<u>6,263,403</u>
Total Assets	<u>7,926,073</u>	<u>7,205,600</u>
Less Liabilities		
Current	<u>2,476,413</u>	<u>2,510,780</u>
Total Liabilities	<u>2,476,413</u>	<u>2,510,780</u>
Net Assets	<u>5,449,660</u>	<u>4,694,820</u>

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
INCOME & EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2003

	2003	2002
Subscription Income	10,487,663	9,668,037
Certified Agreement Levy (see Note 1)	1,885	5,557
Public Education Levy (see Note 2)	564,901	506,710
Other Income	<u>65,359</u>	<u>90,770</u>
Total Income	11,119,808	10,271,074
Certified Agreement Levy	0	50,342
Public Education Levy	416,835	708,856
Other Expenditure	<u>10,021,856</u>	<u>10,293,010</u>
Total Expenditure	10,438,691	11,052,208
Operating Surplus for Period	681,117	(781,134)
Abnormal Item (see Note 3)	<u>73,723</u>	<u>(25,725)</u>
Surplus/(Loss) including Abnormal Items for the Period	<u><u>754,840</u></u>	<u><u>(806,859)</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 \$1,152,272 includes an amount of \$144,254 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 and on 19 July 2003 Branch Conference further extended the levy in its present form until the end of the calendar year 2006.

The current assets figure of \$1,152,272 includes an amount of \$163,221 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, 2003.

Our Auditor's Report dated _____ 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:



Australian Government
Australian Industrial Registry

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

Mr Robert E Glare
Branch Secretary
Australian Education Union
Victorian Branch
P.O. Box 363
ABBOTSFORD VIC 3067

Dear Mr Glare,

**Re: Australian Education Union - Victorian Branch
Financial documents for year ended 31 December 2003 - FR2003/665**

Receipt is acknowledged of the unaudited accounts of the Victorian Branch of the Australian Education Union for the year ended 31 December 2003, together with the proposed summary of the accounts (not yet certified by the Branch's auditor). The documents were lodged in the Industrial Registry on 15 June 2004.

The documents have been placed on file in anticipation of receipt of a copy of the full financial audited accounts and final certified summary.

It is noted that the income and expenditure statement is headed "Private Information For The Members". However, it appears that information contained in that statement is information which should be included in the audited accounts in accordance with the requirements of the *Workplace Relations Act 1996*. [see subsection 273(1) and regulation 107(a) of the Workplace Relations Regulations]. This matter was brought to the attention of the Branch in correspondence from the Registry dated 16 September 2003.

Yours sincerely

Ruth Hansen
Statutory Services Branch

23 June 2004



FR

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

9 August 2004

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 2003

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 August 2004.

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

(end.)
I have noted your concern expressed in your letter dated 23 June 2004 that the detailed income and expenditure statement is headed "Private Information for the Members" and is not included as a note to the main accounts.

(encl.)
Our Accountant, Ernie Catchlove misread your letter dated 16 September 2003 and did not realise that you were directing that the accounts be presented differently.

I am requesting that you accept these accounts as presented, with the attached Information and Expenditure Statement covering the year to 31 December 2003.

For our part we undertake to present full details in the audited accounts in accordance with the requirements of the Workplace Relations Act 1996 for all future accounts.

Yours sincerely

ROBERT E. GLARE
Branch Secretary



Australian Government
Australian Industrial Registry

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

Mr Robert E Glare
Branch Secretary
Australian Education Union
Victorian Branch
P.O. Box 363
ABBOTSFORD VIC 3067

Dear Mr Glare,

**Re: Australian Education Union - Victorian Branch
Financial documents for year ended 31 December 2003 - FR2003/665**

Receipt is acknowledged of the unaudited accounts of the Victorian Branch of the Australian Education Union for the year ended 31 December 2003, together with the proposed summary of the accounts (not yet certified by the Branch's auditor). The documents were lodged in the Industrial Registry on 15 June 2004.

The documents have been placed on file in anticipation of receipt of a copy of the full financial audited accounts and final certified summary.

It is noted that the income and expenditure statement is headed "Private Information For The Members". However, it appears that information contained in that statement is information which should be included in the audited accounts in accordance with the requirements of the *Workplace Relations Act 1996*. [see subsection 273(1) and regulation 107(a) of the Workplace Relations Regulations]. This matter was brought to the attention of the Branch in correspondence from the Registry dated 16 September 2003.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ruth Hansen'.

Ruth Hansen
Statutory Services Branch

23 June 2004

Ernie Catchlove



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 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,

L. Markovski

Lynette Markovski

16 September 2003
cc Ernie Catchlove.



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 6 August 2004 and the documents as attached are copies of the documents presented at that meeting.

ROBERT E. GLARE
Branch Secretary
6 August 2004

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
ABN 44 673 398 674

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31ST DECEMBER 2003

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2003**

		2003 \$	2002 \$
Sales revenue	2	-	-
Cost of sales		-	-
Gross profit		-	-
Other revenues from ordinary activities	2	11,119,808	10,271,074
Distribution expenses		-	-
Marketing expenses		-	-
Occupancy expenses		(1,241,551)	(1,262,288)
Administration expenses		(9,180,245)	(9,763,027)
Borrowing costs expense	3	-	-
Other expenses from ordinary activities		(16,895)	(26,893)
Profit (loss) from ordinary activities before income tax expense	3	681,117	(781,134)
Net profit from ordinary activities after income tax expense attributable to members of the company		<u>681,117</u>	<u>(781,134)</u>
Investment in TFV Property Pty Ltd written back/(written off)		<u>73,723</u>	<u>(25,725)</u>
Total changes in equity other than those resulting from transactions with owners as owners	11	<u>754,840</u>	<u>(806,859)</u>

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2003

		2003	2002
		\$	\$
CURRENT ASSETS			
Cash assets	4	457,401	396,378
Receivables	5	431,892	329,282
Other	6	262,979	216,537
TOTAL CURRENT ASSETS		<u>1,152,272</u>	<u>942,197</u>
NON-CURRENT ASSETS			
Receivables	5	2,371,972	1,931,636
Other financial assets	7	4,303,138	4,229,415
Property, plant and equipment	8	98,691	102,352
TOTAL NON-CURRENT ASSETS		<u>6,773,801</u>	<u>6,263,403</u>
TOTAL ASSETS		<u>7,926,073</u>	<u>7,205,600</u>
CURRENT LIABILITIES			
Payables	9	1,034,418	1,037,791
Provisions	10	1,441,995	1,472,989
TOTAL CURRENT LIABILITIES		<u>2,476,413</u>	<u>2,510,780</u>
NON-CURRENT LIABILITIES			
Provisions	10	<u>-</u>	<u>-</u>
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>2,476,413</u>	<u>2,510,780</u>
NET ASSETS		<u>5,449,660</u>	<u>4,694,820</u>
EQUITY			
Retained profits	11	5,449,660	4,694,820
TOTAL EQUITY		<u>5,449,660</u>	<u>4,694,820</u>

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2003

	2003	2002
	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	11,014,300	10,244,019
Payments to suppliers and employees	(10,472,522)	(10,613,829)
Interest received	16,318	9,518
Borrowing costs paid	-	-
Net cash provided by (used in) operating activities	18b <u>558,096</u>	<u>(360,292)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	5,114	2,644
Payment for property, plant and equipment	(61,851)	(33,065)
Loans to related parties		
— payments made	(440,336)	-
Loans to related parties		
— proceeds from repayments	-	459,360
Net cash provided by (used in) investing activities	<u>(497,073)</u>	<u>428,939</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings	-	(10,068)
Net cash provided by (used in) financing activities	<u>-</u>	<u>(10,068)</u>
Net increase in cash held	61,023	58,579
Cash at beginning of year	396,378	337,799
Cash at end of year	18a <u>457,401</u>	<u>396,378</u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

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, 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 accruals 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 AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a. Income Tax

Australian Education Union Victorian Branch is a trade union and 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

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of 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 recoverable amounts.

Depreciation

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

The depreciation rates used for each class of assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	10 - 40%

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 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 reduce the liability.

d. Investments

Non-current investments are measured on the cost basis. The carrying amount of investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for shares in listed companies or the underlying net assets for other non-listed corporations. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

e. Employee Benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Provision for long service leave is made for all employees regardless of length of service. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH to an employee superannuation fund and are charged as expenses when incurred.

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.

g. Revenue

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

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

h. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax 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 statement of financial position are shown inclusive of GST.

Note 2 Revenue

	2003 \$	2002 \$
Operating activities		
— membership subscriptions and levies	11,054,449	10,180,304
— dividends	2a -	-
— interest	2b 16,318	9,518
— rendering of services	43,927	78,608
	<u>11,114,694</u>	<u>10,268,430</u>
Non-operating activities		
— proceeds on disposal of property, plant and equipment	5,114	2,644
— proceeds on disposal of investments	5,114	2,644
	<u>11,119,808</u>	<u>10,271,074</u>
Total revenue		
a. Dividends from		
— other corporations	-	-
b. Interest from		
— director-related entities	-	-
— other persons	16,318	9,518
— directors	-	-
	<u>16,318</u>	<u>9,518</u>

Note 3 Profit from Ordinary Activities

	2003 \$	2002 \$
Profit from ordinary activities before income tax expense has been determined after:		
a. Expenses		
affiliation fees	765,734	745,962
Borrowing costs		
— other persons	-	-
Total borrowing costs	-	-
Depreciation of non-current assets		
— plant and equipment	65,512	74,928
Total depreciation	65,512	74,928
Bad and doubtful debts		
— trade debtors	30	5,493
Total bad and doubtful debts	30	5,493
Write down of shares in other corporations to recoverable amount		
Remuneration of auditor		
— audit or review	15,355	12,775
— other services	-	-
Remuneration for other services to related practices of the auditor	-	-
b. Revenue and Net Gains		
Net gain on disposal of plant and equipment	5,114	2,644
Net gain on disposal of investments	-	-
c. Significant Revenues and Expenses		
The following revenue and expense items are relevant in explaining the financial performance		
Write back/(off) of investment in TFV Property Pty Ltd	73,723	(25,725)

Note 4 Cash Assets

	2003 \$	2002 \$
Cash at bank	455,274	391,924
Cash on hand	2,127	4,454
Deposits at call	-	-
	<u>457,401</u>	<u>396,378</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

Note 5 Receivables

	2003	2002
	\$	\$
CURRENT		
Sundry debtors	83,518	27,548
Provision for doubtful debts	-	(5,433)
	<u>83,518</u>	<u>22,115</u>
Members' subscriptions	348,374	307,167
	<u>348,374</u>	<u>307,167</u>
	<u>431,892</u>	<u>329,282</u>
NON-CURRENT		
Sundry debtors	2,250	2,250
Loan to TFV Property Pty Ltd	2,369,722	1,929,386
	<u>2,371,972</u>	<u>1,931,636</u>

Note 6 Other Assets

	2003	2002
	\$	\$
CURRENT		
Prepayments	262,979	216,537
	<u>262,979</u>	<u>216,537</u>

Note 7 Other Financial Assets

	2003	2002
	\$	\$
Shares in TFV Property Pty Ltd — at cost	8,000,000	8,000,000
Less: Provision for write-down to recoverable amount	(3,696,862)	(3,770,585)
	<u>4,303,138</u>	<u>4,229,415</u>

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 Trennery Crescent Abbotsford.

Note 8 Property, Plant & Equipment

	2003	2002
	\$	\$
Plant and equipment at cost	378,056	694,415
Less accumulated depreciation	279,365	592,063
	<u>98,691</u>	<u>102,352</u>
Total Plant and Equipment	98,691	102,352
Total Property, Plant and Equipment	<u>98,691</u>	<u>102,352</u>

a. **Movements in Carrying Amounts**

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

	Plant and Equipment	Total
	\$	\$
Balance at the beginning of the year	102,352	102,352
Additions	61,851	61,851
Disposals	378,210	378,210
Revaluation increments/(decrements)	(378,210)	(378,210)
Depreciation expense	(65,512)	(65,512)
Capitalised borrowing costs and depreciation	-	-
Carrying amount at the end of the year	<u>98,691</u>	<u>98,691</u>

Note 9 Payables

	2003	2002
	\$	\$
CURRENT		
Unearned Income - Members subscriptions paid in advance	379,353	366,252
Sundry creditors	491,108	531,862
Net GST liability	163,957	139,677
	<u>1,034,418</u>	<u>1,037,791</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

Note 10 Provisions

		2003 \$	2002 \$
CURRENT			
Employee benefits - annual leave	10a	650,834	731,521
Employee benefits - long service leave	10a	791,161	741,468
		<u>1,441,995</u>	<u>1,472,989</u>
NON-CURRENT			
Employee benefits	10a	-	-
a. Aggregate employee benefit liability		<u>1,441,995</u>	<u>1,472,989</u>
b. Number of employees at year end		<u>84</u>	<u>84</u>

Note 11 Retained Profits

		2003 \$	2002 \$
Retained profits at the beginning of the financial year		4,694,820	5,501,679
Net profit attributable to members of the company		754,840	(806,859)
Retained profits at the end of the financial year		<u>5,449,660</u>	<u>4,694,820</u>

Note 12 Capital & Leasing Commitments

		2003 \$	2002 \$
a. Operating Lease Commitments			
Non-cancellable operating leases contracted for but not capitalised in the financial statements:			
Payable			
—not later than 1 year		230,827	211,576
—later than 1 year but not later than 5 years		291,178	304,388
—later than 5 years		-	-
		<u>522,005</u>	<u>515,964</u>

Note 13 Contingent Liabilities

		2003 \$	2002 \$
Estimates of the maximum amounts of contingent liabilities that may become payable:			
Guarantees			
— guarantee by the Union in respect of the secured bank facilities of TFV Property Pty Ltd.		1,000,000	1,700,000
Other			
— autopay arrangement		180,000	180,000

Note 14 Events Subsequent to Reporting Date

Since the end of the financial year AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH has determined that a bonus will be paid to all staff. This bonus is based on the provisions set out in the Certified Agreement applicable to employees of the Union. The amount to be paid in the 2004 year will be \$375,332.

Note 15 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 provisions 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 16 Officers Remuneration

In accordance with Workplace Relations Regulations: Regulation 107 at (XIV), the total amount of remuneration to holders of office in the organisation for the year ended 31 December 2003 was \$975,736.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

Note 17 Levies

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 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. On 19th July 2003 Branch Conference extended the levy in its present form until the end of the calendar year 2006.

	2003	2002
	\$	\$
Opening Balance	15,155	217,301
Add funds collected from levy	559,744	492,597
Add donation and interest income	5,157	14,113
	<u>564,901</u>	<u>506,710</u>
Total funds available	580,056	724,011
Less amounts paid for Public Education purposes	(416,835)	(708,856)
Funds available for Public Education campaign purposes as at 31 December	<u>163,221</u>	<u>15,155</u>
Public Education bank account at year end	<u>211,707</u>	<u>12,350</u>
Add amounts under/(over) remitted to Public Education account by AEU Vic Branch	(48,486)	2,805
	<u>163,221</u>	<u>15,155</u>
	<u><u>163,221</u></u>	<u><u>15,155</u></u>
<u>Source of funds</u>		
Excess of income over campaign spending	148,066	-
Reduction in bank account	-	7,037
Increase in amount owing by Public Education Campaign to AEU Vic Branch	48,486	-
Reduction in amount owing by AEU Vic Branch to Public Education Campaign	2,805	195,109
	<u>199,357</u>	<u>202,146</u>
	<u><u>199,357</u></u>	<u><u>202,146</u></u>
<u>Application of funds</u>		
Excess of campaign spending over income	-	202,146
Increase in bank account	199,357	-
	<u>199,357</u>	<u>202,146</u>
	<u><u>199,357</u></u>	<u><u>202,146</u></u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

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.

	2003	2002
	\$	\$
Opening Balance	142,369	187,154
Add donation and interest income	1,885	5,557
Total funds available	<u>144,254</u>	<u>192,711</u>
Less amounts paid for Certified Agreement Levy purposes	-	(50,342)
Funds available for Certified Agreement Levy purposes as at 31 December	<u>144,254</u>	<u>142,369</u>
Certified Agreement Levy bank account at year end	<u>10,586</u>	<u>33,102</u>
Add amounts under/(over) remitted to Certified Agreement Levy account by AEU Vic Branch	133,668	109,267
	<u>144,254</u>	<u>142,369</u>
<u>Source of funds</u>		
Reduction in bank account	22,516	154,443
Donation and interest income	1,885	-
	<u>24,401</u>	<u>154,443</u>
<u>Application of funds</u>		
Excess of campaign spending over income	-	44,785
Reduction in amount owed to AEU Vic Branch	-	391
Increase in amounts owed by AEU Vic Branch	24,401	109,267
	<u>24,401</u>	<u>154,443</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

Note 18 Cash Flow Information

	2003	2002
	\$	\$
a. Reconciliation of Cash		
Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash on hand	457,401	396,378
At call deposits with financial institutions	-	-
Bank overdrafts — secured	-	-
	<u>457,401</u>	<u>396,378</u>
b. Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax		
Profit (loss) from ordinary activities after income tax	754,840	(806,859)
Non-cash flows in profit from ordinary activities		
Amortisation	-	-
Depreciation	65,512	74,928
Provision for investment diminution	(73,723)	25,725
Net gain on disposal of plant and equipment	(5,114)	(2,644)
Net gain on disposal of investments	-	-
Changes in assets and liabilities, net of the effects of purchase and disposals of subsidiaries		
(Increase)/decrease in receivables	(97,177)	(37,442)
(Increase)/decrease in other assets	(46,442)	(94,926)
Increase/(decrease) in payables	(3,373)	251,026
Increase/(decrease) in provisions	(36,427)	229,900
Cash flows from operations	<u>558,096</u>	<u>(360,292)</u>
c. Non-cash Financing and Investing Activities		
Property, plant and equipment		
During the financial year the company acquired plant and equipment with an aggregate fair value of \$0 (2002: \$0) by means of hire purchase agreements.		
d. Credit Stand-by Arrangement and Loan Facilities		
The company has a bank overdraft and commercial bill facility amounting to \$0 (2002: \$0).		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

Note 19 Financial Instruments

a. Interest Rate Risk

The Union's exposure to interest rate risk, which is the 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		Fixed Interest Rate Maturing			
	2003	2002	2003	2002	Within 1 Year		1 to 5 Years	
	%	%	\$	\$	2003	2002	2003	2002
Financial Assets								
Cash at bank	3.9	1.7	455,274	391,924	-	-	-	-
Deposits at call	-	-	-	-	-	-	-	-
Total Financial Assets			455,274	391,924				
Financial Liabilities								
Bank overdraft secured	-	-	-	-	-	-	-	-
Bank bills secured	-	-	-	-	-	-	-	-
Bank loan secured	-	-	-	-	-	-	-	-
Lease Liabilities	-	-	-	-	-	-	-	-
Total Financial Liabilities								

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 statement of financial position and notes to the financial statements.

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH.

c. Net Fair Values

The net fair values 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 statement of financial position and in the notes to the financial statements.

Note 20 Company Details

The registered office and principal place of business of the company is:

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
112 Trennery Crescent

ABBOTSFORD VIC



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 2003 the number of members of the organisation was 28,742.

In my opinion:

- (i) the attached accounts show a true and fair view of the financial affairs of the organisation as at 31st December 2003;
- (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

4 June 2004



Australian Education Union

Victorian Branch

112 Trenerry Crescent, Abbotsford, 3067

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BRANCH COUNCIL CERTIFICATE

We, Shayne Quinn and Meredith Peace, 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 4 June 2004 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 2003;
- (ii) in the opinion of the Branch Council, meetings of the Council were held during the period ended 31 December 2003 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 2002 and the Auditor's Report thereon.

Shayne Quinn

SHAYNE QUINN

Meredith Peace

MEREDITH PEACE

8 June 2004

**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 2003. The financial report includes the financial statements of the Union. 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.

Date: 10th June 2004



**Charman Partners
Partner : M P Barson
Registered Company Auditor**

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
ABN 44 673 398 674

PRIVATE INFORMATION FOR THE MEMBERS
ON THE 2003 FINANCIAL STATEMENTS

INCOME AND EXPENDITURE STATEMENT
YEAR ENDED 31ST DECEMBER 2003

	<u>Note</u>	<u>2003</u> \$	<u>2002</u> \$
<u>INCOME</u>			
Advertising		0	0
Certified Agreement Levy	17	1,885	5,557
Interest		16,318	9,518
Membership Subscriptions		10,487,663	9,668,037
Other Income		43,927	78,608
Profit/(Loss) on Sale of Furniture & Equipment		5,114	2,644
Property Income : Trenerry Crescent		0	0
Public Education Campaign levy	17	<u>564,901</u>	<u>506,710</u>
<u>TOTAL INCOME</u>		<u>11,119,808</u>	<u>10,271,074</u>
<u>EXPENSES</u>			
Affiliation Fees		765,734	745,962
Campaigns			
Certified Agreement Levy	17	0	50,342
Other Campaigns		64,050	25,494
Public Education Campaign Levy	17	416,835	708,856
Communications : Telephone, Fax & Internet		125,169	144,857
Conferences			
Annual Conference		3,108	10,104
Other Conferences & Forums		20,808	18,191
Donations		2,120	680
Equipment			
Furniture, Computer & Equipment Sundry Items		23,712	37,251
Depreciation	8	65,512	74,928
Hire Purchase Charges		0	306
Lease & Rental Costs		48,317	55,375
Maintenance Of Computers & Equipment		53,983	42,102
Functions and Farewells		7,229	6,394
Legal Expenses		291,957	264,022
Library/Information Services		17,819	20,859
Membership Services		232,346	187,022
Motor Vehicle Fleet Costs		370,976	445,623
Miscellaneous		4,805	1,971

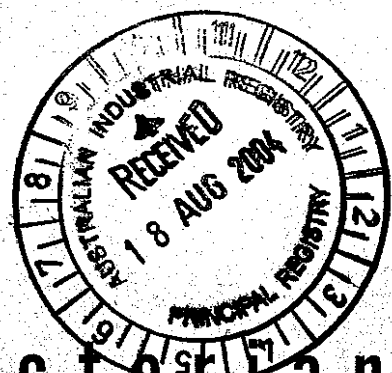
AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
ABN 44 673 398 674

PRIVATE INFORMATION FOR THE MEMBERS
ON THE 2003 FINANCIAL STATEMENTS

INCOME AND EXPENDITURE STATEMENT
YEAR ENDED 31ST DECEMBER 2003

	<u>Note</u>	<u>2003</u> \$	<u>2002</u> \$
Office Expenses			
Administration General		0	0
Audit		15,355	12,775
Bad Debts Written Off		30	60
Bank Charges		2,711	12,355
Office Requisites & Paper		61,808	55,677
Postage		27,846	20,714
Provision for Doubtful Debts		0	5,433
Subscription Collection Costs		54,600	50,104
Publications		389,592	344,137
Regional Offices : Rent, Rates, Telephone, etc		145,197	142,029
Rent and Outgoings : Trenerry Crescent		1,050,027	1,052,326
Salaries			
Annual Leave		(76,999)	226,951
Fringe Benefits Tax		28,414	65,270
Insurance		108,038	24,975
Leadership & Others		4,432,528	4,595,895
Long Service Leave		89,359	44,043
Other Salary Costs		114,617	119,086
Payroll Tax		264,859	294,988
Sick Leave		28,105	(46,526)
Staff Benefits Reserve		94,516	0
Superannuation		703,760	837,938
Training		21,004	10,344
Workcover		100,716	86,311
Structures		232,430	216,920
Travel Expenses		35,698	40,064
<u>TOTAL EXPENSES</u>		<u>10,438,691</u>	<u>11,052,208</u>
<u>OPERATING SURPLUS(LOSS) BEFORE</u>		<u>681,117</u>	<u>(781,134)</u>
<u>ABNORMAL ITEMS</u>			
<u>Less: ABNORMAL ITEMS</u>			
Investment written-off/(written back)	3	(73,723)	25,725
Provision/(Recovery) of doubtful debt : TFV Property Pty Ltd		0	0
<u>TOTAL ABNORMAL ITEMS</u>		<u>(73,723)</u>	<u>25,725</u>
<u>SURPLUS (LOSS) AND ABNORMAL ITEMS</u>		<u>754,840</u>	<u>(806,859)</u>
<u>FOR THE YEAR</u>			

AEU NEWS

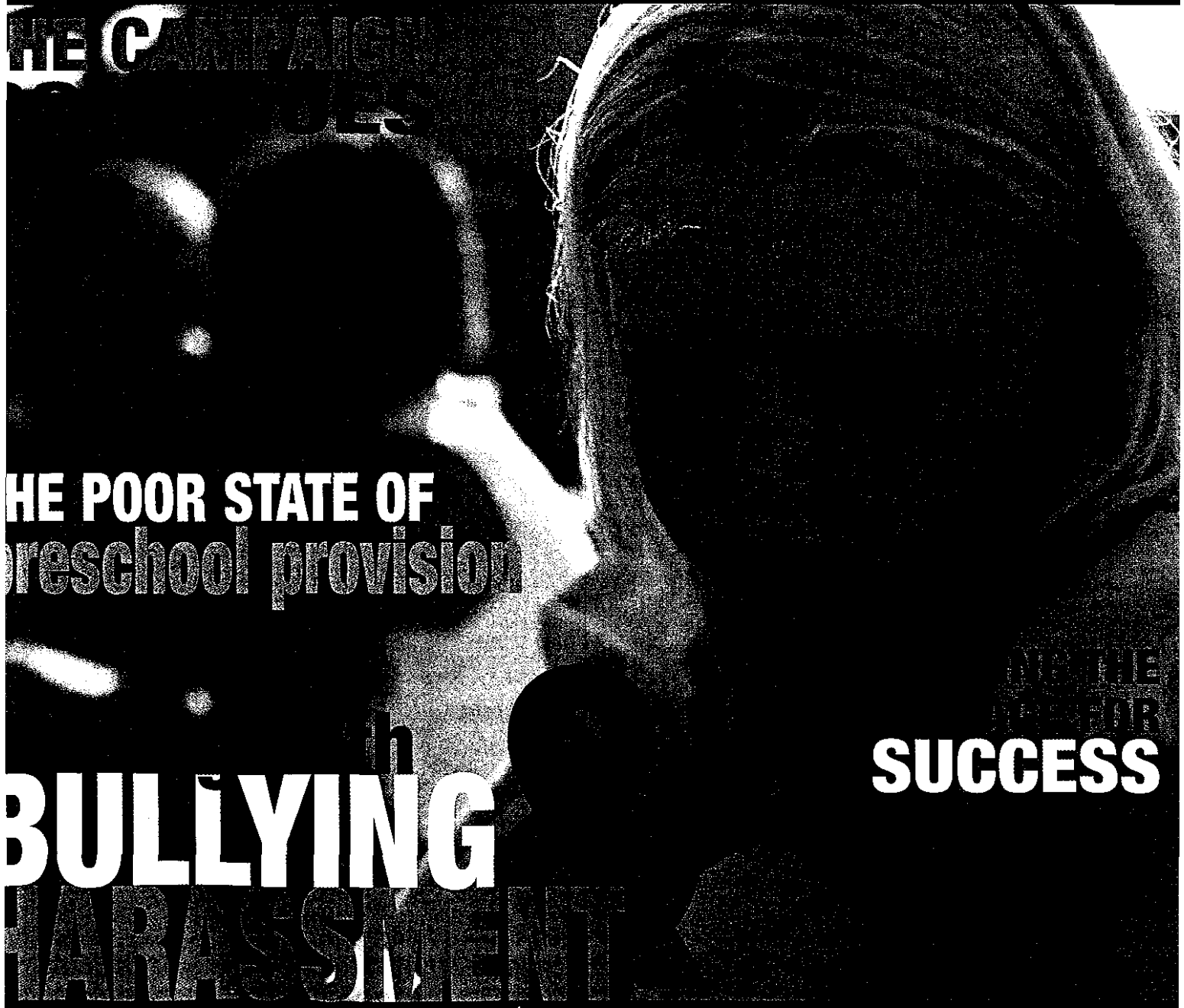


victorian branch

volume 10 issue 5, july 2004

THE BIG BULLY ISSUE

- The heavy hand from above
- Bullying in the schoolyard
- Parents out of control
- Cutting you down to nano-size



THE CAMPAIGN

THE POOR STATE OF
preschool provision

BULLYING

HARASSMENT

SUCCESS

SUMMARY OF THE FINANCIAL STATEMENTS OF THE AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH FOR THE YEAR ENDED 31ST DECEMBER 2003

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 2003

	<u>2003</u>	<u>2002</u>
Accumulated Members Funds	5,449,660	4,694,820
Represented by		
Assets		
Current (see Notes 1 & 2)	1,152,272	942,197
Non Current	6,773,801	6,263,403
Total Assets	<u>7,926,073</u>	<u>7,205,600</u>
Less Liabilities		
Current	2,476,413	2,510,780
Total Liabilities	<u>2,476,413</u>	<u>2,510,780</u>
Net Assets	<u>5,449,660</u>	<u>4,694,820</u>

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH INCOME & EXPENDITURE STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2003

	<u>2003</u>	<u>2002</u>
Subscription Income	10,487,663	9,668,037
Certified Agreement Levy (see Note 1)	1,885	5,557
Public Education Levy (see Note 2)	564,901	506,710
Other Income	65,359	90,770
Total Income	<u>11,119,808</u>	<u>10,271,074</u>
Certified Agreement Levy	0	50,342
Public Education Levy	416,835	708,856
Other Expenditure	10,021,856	10,293,010
Total Expenditure	<u>10,438,691</u>	<u>11,052,208</u>
Operating Surplus for Period	681,117	(781,134)
Abnormal Item (see Note 3)	73,723	(25,725)
Surplus/(Loss) including Abnormal Items for the Period	<u>754,840</u>	<u>(806,859)</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 \$1,152,272 includes an amount of \$144,254 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 and on 19 July 2003 Branch Conference further extended the levy in its present form until the end of the calendar year 2006. The current assets figure of \$1,152,272 includes an amount of \$163,221 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 Trenary Crescent, Abbotsford.

GRAYN PARTNERS

ACCOUNTANTS & ADVISORS

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 2003.

Our Auditor's Report dated 10th June, 2004 on the Accounts did not contain particulars of any deficiency, failure or shortcomings as referred to in the Workplace Relations Act 1996.

Chartered Accountant



Partner: Mark Peter Barrow

Registered Company Auditor

Date: 10th June, 2004



Australian Government
Australian Industrial Registry

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

Mr Robert E Glare
Branch Secretary
Australian Education Union
Victorian Branch
P.O. Box 363
ABBOTSFORD VIC 3067

Dear Mr Glare,

**Re: Australian Education Union - Victorian Branch
Financial documents for year ended 31 December 2003 - FR2003/665**

Receipt is acknowledged of the financial documents of the Victorian Branch of the Australian Education Union for the year ended 31 December 2003. The documents were lodged in the Industrial Registry on 12 August 2004.

On 18 August 2004 the Branch lodged a copy of the summary of its audited accounts in accordance with the requirements of subsection 279(2) of the *Workplace Relations Act 1996*.

The documents have been filed.

Your comments concerning the inclusion of the income and expenditure statement, headed as "Private Information For The Members", have been noted.

New Legislation

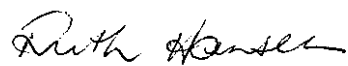
As you may be aware, the Workplace Relations (Registration and Accountability of Organisations) legislation (the RAO legislation) generally came into operation on 12 May 2003.

Schedule 1B of the RAO legislation establishes a Registration and Accountability of Organisations Schedule (**the RAO Schedule**) within the *Workplace Relations Act 1996* (the WR Act). Many of the provisions relating to registered organisations previously contained in the WR Act are replicated in the new RAO Schedule, with some amendments. Other matters are substantially changed by the RAO Schedule, particularly the financial reporting requirements.

Your branch has correctly completed and lodged its financial documents for the financial year ended 31 December 2003 under the WR Act. However, the reporting obligations for the financial year ending 31 December 2004 will be governed by the requirements of the RAO Schedule.

Accordingly, you may wish to bring the requirements of the new legislation to the attention of the branch's auditor.

Yours sincerely

A handwritten signature in cursive script that reads "Ruth Hansen".

Ruth Hansen
Statutory Services Branch

18 August 2004