



Australian Government
Australian Industrial Registry

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Email: Cynthia.lobooth@air.gov.au

Mr Brian Henderson
Branch Secretary
Australian Education Union
Victorian Branch
PO Box 363
ABBOTSFORD VIC 3067

By email: melbourne@aeuvic.asn.au

Dear Mr Henderson

Re: Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)
Financial Reports for year ended 31 December 2007 – FR2007/647

I acknowledge receipt of the financial reports of the Australian Education Union of the Victorian Branch for the year ended 31 December 2007. The documents were lodged in the Industrial Registry on 10 June 2008.

The documents have been filed.

Please note references to Schedule 1B of the *Workplace Relations Act 1996* appearing in the auditor's report and the secretary's certificate should properly be referred to as Schedule 1 or the RAO Schedule of the *Workplace Relations Act 1996*.

I encourage you to take advantage of the electronic lodgement service provided by the Registry for future lodgements. You may lodge your documents at orgs@air.gov.au. Please note the Rules of the Commission allow for electronic signatures to be used, other than for statutory declarations (see sub-rule 74A(1)). Where documents are lodged electronically, there will be no need to forward hard copies of the documents.

Should you wish to discuss any matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7989 on Wednesdays and Thursdays or by email at Cynthia.lobooth@air.gov.au

Yours sincerely,

A handwritten signature in cursive script, appearing to read 'Cynthia Lo-Booth'.

Cynthia Lo-Booth
Statutory Services Branch

18 June 2008



ABN: 44673398674

AUSTRALIAN EDUCATION UNION

Victorian Branch

112 Trenerry Crescent Abbotsford 3067
PO Box 363 Abbotsford 3067

telephone: 03 9417 2822: 1800 013 379 fax: 03 9417 6198 web: www.aeuvic.asn.au email: melbourne@aeuvic.asn.au

FR 2007/647

2 June 2008

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 2007

The full report was presented to Branch Council at its meeting on 30 May 2008.

I am now lodging the full report together with the Secretary's Certificate.

Yours sincerely

A handwritten signature in black ink, appearing to read "Brian Henderson", written over a horizontal line.

Brian Henderson
Branch Secretary



AUSTRALIAN EDUCATION UNION

Victorian Branch

112 Trenerry Crescent Abbotsford 3067
PO Box 363 Abbotsford 3067


telephone: 03 9417 2822: 1800 013 379 fax: 03 9417 6198 web: www.aeuvic.asn.au email: melbourne@aeuvic.asn.au

Certificate of Secretary or other Authorised Officer (s268 of Schedule 1B Workplace Relations Act 1996)

I Brian John Henderson being the Branch Secretary of the Australian Education Union Victorian Branch certify:

- * that the documents lodged herewith are copies of the full report referred to in s268 of the RAO Schedule; and
- * that the full report was provided to members on 29 May 2008; and
- * that the full report was presented to a meeting of the committee of management, being the AEU Victorian Branch Council of the reporting unit on 30 May 2008; in accordance with section 266 of the RAO Schedule.

Signature:


(Branch Secretary)

Date:

30 / 05 / 08

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

ABN: 44 673 398 674

**Annual Financial Report For The Year Ended
31 December 2007**

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

31 December 2007

ABN: 44 673 398 674

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OPERATING REPORT FOR THE 2007 FINANCIAL YEAR AEU VICTORIAN BRANCH

Principal Activities

The schools sectors were involved in two major activities. The first was the union's participation in the ACTU/VTHC Campaign against the Howard Government's "Work Choices" Legislation in the lead up to the Federal election. The second was the union's campaign against the State Government to achieve a Certified Agreement for principals and teachers in Government schools. This involved a very successful statewide stopwork meeting on November 21, 2007 which laid the ground for further action in 2008.

In the TAFE sector the union began negotiations with TAFE employers over a new Certified Agreement to cover teachers in TAFE Institutes. By the end of 2007 no progress has been made in these negotiations.

In 2007 the AEU has concentrated its efforts in the negotiation of new enterprise agreements for our members covered by part 2 of the award. These members work in the ATSS or day programs of the disability service. The current agreement expired in July 2006 and the Union has found it very difficult to get the Employer representatives to the negotiating table, but has continued to pressure all parties. The AEU has coverage of approximately 88 centres where members are covered under part 1 of the award.

Part 2 members are in a similar position with many of the Disability Workshops have no current agreement or an expired agreement. As these centres are federally funded it has been harder than expected to get them into the negotiating arena. The AEU will continue to push the various employers to negotiate relevant and appropriate agreements.

In our Early Childhood Sector the union has drawn up a log of claims for the next round of enterprise bargaining which will commence in 2008.

The following significant submissions were lodged during the year:

- Department of Education concerning the Better Regulation Project
- Victorian Parliament's Inquiry into Effective Strategies for Teacher Professional Learning
- Victorian Government's Review of the Victorian Institute of Teaching

Significant resources continue to be devoted to our continuing Public Education campaign in an attempt to maximise the political importance of Public Education, particularly in relation to the Victorian Government's 2007 State Budget and our Certified Agreement in the Schools sector.

Recruitment

In 2007 we maintained strong recruitment levels as the following table demonstrates.

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	TOTAL
2007	295	411	474	229	317	281	213	508	513	520	530	648	4,939

Financial Affairs

The union continues to prosper with growing membership levels, supplementary sources of income and more efficient management of the organisation.

In 2007 \$3.3 million was invested in term deposits with compounding interest. Such investments should be increased in future years.

In 2007 the net profit from ordinary activities was \$ 808,802 compared to \$1,115,479 in 2006. On the income side, membership subscriptions, including PEC levies, increased by nearly \$0.5 million. Interest received increased by \$0.1 million. On the expense side, investment in our membership system and IT infrastructure increased by over \$0.3 million and affiliate fees (largely the Federal campaigns) by close to \$0.5 million.

The TFV Building - having achieved the milestone of clearing all bank debt in 2004 - is now starting to return substantial profits for the union; the property was revalued in 2007 from \$12.5 million to \$14.75 million.

The cash assets of the Union exceed \$4 million. With careful management and continuing increases in membership levels, the financial viability of the organisation will continue to grow steadily in future years.

One should not get carried away with the amount of cash assets. Put in context, our current cash assets represent about 4 months operating expenses. In my opinion it is vital we grow the cash base to at least 6 months operating expenses and preferably 12 months operating expenses. Our cash reserves are sufficient to cover staff entitlements such as annual leave and long service leave but that would not leave much cash in the bank. We are achieving growth at an acceptable rate and with continuing prudent financial management, cash reserves will continue to increase over future years. The other key factor is continuing the improvement in membership numbers.

It is important that any changes in staffing levels can be sustained by a growth in the membership base. While we have extracted the organisation from the "financial mire" that we faced when we came to office, that improvement can be frittered away quite rapidly by a few reckless decisions and/or a lack of financial vigilance.

Right of Resignation

Resignation from membership and termination of eligibility for membership is regulated by Federal Branch Rule 17. In keeping with that rule, AEU Victorian Branch Council, at its meeting held on Saturday 24 March, 2001 adopted a policy in respect of refunds of membership dues when members resign.

The policy is:

1. When a member lodges a resignation from the union it will take effect from the date of the letter or the date specified in that letter, whichever is later
2. Where a member's resignation from the union is received but not processed at the time, no disadvantage will be applied when the resignation is processed.

3. Branch Executive is authorised to vary this policy in exceptional circumstances and upon written request.
4. That this policy be highlighted in the AEU News in the first edition each year.

It is imperative that the union receives formal notification when members resign from the union.

Superannuation Trustees/Directors

The following members of our Branch Council are trustees of a superannuation entity or an exempt public sector superannuation scheme:

Dean R GLARE

Barbra A NORRIS

Both are Directors of the Emergency Services Superannuation Board (Victoria)

The following members of our Branch Council are directors of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme:

Jennifer A CASSIDY

Barbra A NORRIS

Both are Directors of VicSuper.

The criterion that makes the three eligible to stand for election to both bodies is that they are contributors to those superannuation schemes. Periodically elections for Director positions are conducted by the Victorian Electoral Commission and all contributors are eligible to nominate. A ballot of all contributors decides the positions.

Prescribed Information

- (a) We started the year with 32,316 members and ended with 34,031 members which represent an increase of 1715 (5.30%) members in the reporting year.

The following figures indicate the growth of the organisation on a Sector basis from 1 January 2007 to 31 December 2007:

Primary	5.55%	or	843 members
Secondary	6.54%	or	840 members
Early Childhood	2.41%	or	27 members
TAP	0.15%	or	5 members
TOTAL	5.30%	or	1715 members

- (b) At 31/12/2007 the reporting unit employed 92 persons which translated to 75.42 equivalent full-time employees.

Members of Branch Council in 2007:

ELECTORATE	No per electorate	PRIMARY	No per electorate	SECONDARY
SOUTH EAST 1 Doncaster / Warringal Inner East Greater Waverley	5	Brookes, Gillian Cassidy, Andrew Cooke, Jean Drake, Raymond Halden, Andrea	4	Anastasiou, Tas Angus, Cheryl Steane, Valerie Tripp, Marita

ELECTORATE	No per electorate	PRIMARY	No per electorate	SECONDARY
SOUTH EAST 2 Outer Easter Yarra Valley Knox /Dandenong Ranges	5	Andrews, Deborah Ashton, Steve Cassidy, Jenny Exton, John (resigned 9.8.07) Pontin, Clive	3	De Gama, David O'Brien, Eileen Rudd, Paul
SOUTH EAST 3 Berwick/Pakenham/Cranbourne/Wonthaggi South Eastern	4	Lylak, Nicole Rothstadt, Kay Sharp, Kathy Vrondou, Chris	4	Aulich, Erin (from 30.11.07 - resigned 29.1.08) Crotty, Judith Glare, Dean McMeekin, Terry Williams, Carice (resigned 10.9.07)
SOUTH EAST 4 Longbeach/Moorabbin Frankston Peninsula	6	Chase, Irene Farrelly, Rita Luebbers, Barbara Svigos, Russell Stokes, Jennifer Woods, Wayne	4	Bryce, Andy Denehey, Carole Seltman, Heidi Wright, Paul
NORTH WEST 1 Diamond Valley Latrobe/Plenty Inner City	4	Norris, Barbra Edmonds, Robert (resigned 6.12.07) Ghiotti, Beth Peeters, Aaron	5	Butler, Mick Finlay, Kirsten Fry, John Merkenich, Mary Rundle, Norrian
NORTH WEST 2 Inner West Werribee	3	Duncan, Briley Menhennet, Shelley (from 30.11.07) O'Grady, Lauren (resigned 22.2.07) Winton, Kathy (from 23.8.07)	3	Lovelock, Chris Peterson, Andrew Skourdoubis, Andrew
NORTH WEST 3 Broadmeadows Maribyrnong Sunbury Melton	5	Biondi, Georgina Pontikis, Mary-Anne Pope, Kevin Walsh, Rebecca Horvath, Eva	4	Breen, Geoffrey Cook, Philip O'Neill, Patrick Symons, John (resigned 30.6.07) D'Ortenzio, Marino (from 23.8.07)
BARWON SOUTH WEST 1 Geelong	2	Augerinos, Andrew Crockart, Ian	2	Crawford, Megan Mantelli, Ubaldino
BARWON SOUTH WEST 2 Colac Hamilton/Portland Warrnambool	2	Anderson, Anne Clift, David	2	Carroll, Emma (resigned 30.11.07) Martina, Peter
CENTRAL HIGHLANDS WIMMERA 1 Ballarat	2	Farquhar, Reginald Schenk, Henry	1	Aitken, Catherine
CENTRAL HIGHLANDS WIMMERA 2 Stawell Horsham	1		1	Kuchel, Robyn

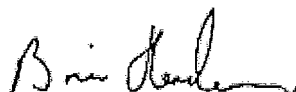
ELECTORATE	No per electorate	PRIMARY	No per electorate	SECONDARY
GIPPSLAND 1 West Gippsland South Gippsland	1	Hussey, Mick	1	Humphries, Jessie Ann
GIPPSLAND 2 Latrobe Valley	1	Stringer, Angela	1	Ross Jackson (from 1.8.07)
GIPPSLAND 3 Sale East Gippsland	1	Nicholas, Ross (from 23.5.07)	1	Kell, Matthew
GOULBURN NORTH EAST 1 Benalla Seymour	1	Cunningham, Colleen (from 23.5.07)	1	Patton, Felix
GOULBURN NORTH EAST 2 Kyabram Shepparton	1	Coghlan, Kellie (from 30.11.07)	1	Sawyer, Fiona (resigned 30.11.07)
GOULBURN NORTH EAST 3 Wodonga Wangaratta	1	Dews, Merrilyn (from 23.5.07)	1	Morton, Patti
LODDON CAMPASPE MALLEE 1 Bendigo-Maryborough Castlemaine	2	Dunn, Lidia	2	Dodgshun, Andrew Manning, Jack
LODDON CAMPASPE MALLEE 2 Bendigo/Echuca Swan Hill	1	De Morton, Phillip	1	Stephenson, Rupert (resigned 30.11.07)
LODDON CAMPASPE MALLEE 3 Mildura	1		1	Donnelly, James
ALLIED SUB-SECTOR	5	Foenander, Jan Ganosis, Sylkvia Lowe, Nicole (resigned 31.8.07) Lahiff, Alida (from 30.11.07) Tenson, Katrina Wright, Joanna	3	Henry, Jo Macardy, Rae Vojtek, Barbara

TAFE, DISABILITY AMES - SECTOR COUNCILLORS

TAFE SUB SECTOR	No. per workplace	Councillors
Ballarat University	1	Joanne Fogarty
Bendigo Regional Institute of TAFE	1	Greg Barclay
Box Hill Institute of TAFE	2	Fergus Hudson, Peter Ryan
Central Gippsland Institute of TAFE	1	Peter Sheehan
Chisholm Institute of TAFE	3	Roger Harris, (resigned 30.11.07) Karl Schneider, (resigned 30.11.07) Stephen Fisher
East Gippsland Community Institute of TAFE	1	Ann Furphy
Gordon Institute of TAFE	2	Mark Hyde Rosemary Crowe
Goulburn Ovens Institute of TAFE	1	Mario Varricchio
Holmesglen Institute of TAFE	2	Karen McCoy (resigned 16.7.07) Helen Wiggins
Kangan/Batman Institute of TAFE	2	Michael Devine, Melinda Freyer (resigned 4.5.07)
Northern Melbourne Institute of TAFE	2	Craig Jones Hank (Ian) Ferguson (resigned 7.6.07)
RMIT - TAFE Division	3	Russell Edis, Gary Dickinson) Mary Collins
South West Institute of TAFE	1	Stuart Stephen
Sunraysia Institute of TAFE	1	Bryan McMullan
Swinburne Uni of Technology - TAFE Division	2	Frank Lawlor
Victorian University of Technology - TAFE Div	3	Peter Moraitis, Paul Ashton, Leanne Glover-Richards
William Angliss Institute of TAFE	1	Rob Murraylee
Wodonga Institute of TAFE	1	Phillip Browne
DISABILITY SERVICES	8	Rob Mottershead (resigned 29.1.07) Carmel Coogan Rena Cummins Rebekah Jardine (resigned 29.1.07)
AMES	2	2 Vacant posns

Branch Officers;

Mary Bluett, Ann Taylor, Brian Henderson, Christine Stewart, Peter Steele, Carolyn Clancy, Meredith Peace, Justin Mullally, Shayne Quinn, Martel Menz, Gillian Robertson, Rob Stewart.



Brian Henderson

Branch Secretary

29 April, 2008

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
ABN: 44 673 398 674
AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF
THE CORPORATIONS ACT 2001

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2007 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm CHARMAN PARTNERS

Name of Partner Mark Peter Barson



Date

2nd May 2008

Address

Suite 4

10 - 12 Chapel Street

BLACKBURN VIC 3130

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
ABN: 44 673 398 674
INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2007

		2007	2006
		\$	\$
Revenue			
Cost of sales		-	-
Gross profit		-	-
Other revenue	2	14,312,562	13,684,770
Distribution expenses		-	-
Marketing expenses		-	-
Occupancy expenses		(1,042,525)	(760,971)
Administration expenses		(12,446,505)	(11,801,226)
Impairment of property plant and equipment		-	-
Finance costs	3	-	-
Other expenses		(14,730)	(7,094)
Share of net profits of associates and joint ventures		-	-
Profit before income tax		808,802	1,115,479
Profit attributable to members of the entity		808,802	1,115,479

The accompanying notes form part of these financial statements.

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

ABN: 44 673 398 674

BALANCE SHEET AS AT 31 DECEMBER 2007

	Note	2007 \$	2006 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	4,491,272	3,731,784
Trade and other receivables	7	745,894	613,465
Other current assets	8	317,164	314,231
TOTAL CURRENT ASSETS		<u>5,554,330</u>	<u>4,659,480</u>
NON-CURRENT ASSETS			
Trade and other receivables	7	1,816,358	2,237,221
Financial assets	9	8,000,000	8,000,000
Property, plant and equipment	10	122,364	114,866
TOTAL NON-CURRENT ASSETS		<u>9,938,722</u>	<u>10,352,087</u>
TOTAL ASSETS		<u>15,493,052</u>	<u>15,011,567</u>
CURRENT LIABILITIES			
Trade and other payables	11	923,011	1,206,053
Short-term provisions	12	1,693,104	1,737,379
TOTAL CURRENT LIABILITIES		<u>2,616,115</u>	<u>2,943,432</u>
NON-CURRENT LIABILITIES			
Long-term provisions	12	-	-
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>2,616,115</u>	<u>2,943,432</u>
NET ASSETS		<u>12,876,937</u>	<u>12,068,135</u>
EQUITY			
Reserves		-	-
Retained earnings		12,876,937	12,068,135
TOTAL EQUITY		<u>12,876,937</u>	<u>12,068,135</u>

The accompanying notes form part of these financial statements.

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
ABN: 44 673 398 674
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2007

	Retained Earnings	Reserves	Total
	\$	\$	\$
Balance at 1 January 2006	10,952,656		10,952,656
Profit attributable to members of equity	1,115,479		1,115,479
Sub-total	12,068,135	-	12,068,135
Dividends paid or provided for	-		-
Balance at 31 December 2006	12,068,135	-	12,068,135
Adjustment on prospective application of AASB139			-
Shares issued during the year			
Profit attributable to members of equity	808,802		808,802
Revaluation increment / (decrement)			-
Sub-total	12,876,937	-	12,876,937
Dividends paid or provided for	-		-
Balance at 31 December 2007	12,876,937	-	12,876,937

The accompanying notes form part of these financial statements.

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

ABN: 44 673 398 674

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	2007	2006
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		13,687,496	13,436,941
Payments to suppliers and employees		(13,531,123)	(12,461,445)
Dividends received		-	-
Interest received		285,045	181,015
Finance costs		-	-
Income tax paid		-	-
Net cash provided by (used in) operating activities	15	<u>441,418</u>	<u>1,156,511</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		370	7,853
Proceeds from sale of investments		-	-
Purchase of property, plant and equipment		(103,163)	(58,638)
Purchase of investments		-	-
Loans to related parties		-	-
— payments made		-	-
— proceeds from repayments		420,863	(395,402)
Net cash provided by (used in) investing activities		<u>318,070</u>	<u>(446,187)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	-
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Dividends paid		-	-
Net cash provided by (used in) financing activities		<u>-</u>	<u>-</u>
Net (decrease) increase in cash held		759,488	710,324
Cash at beginning of financial year		3,731,784	3,021,460
Cash at end of financial year	6	<u><u>4,491,272</u></u>	<u><u>3,731,784</u></u>

The accompanying notes form part of these financial statements.

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
ABN: 44 673 398 674
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

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, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH as an individual entity.

The financial report of AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

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

Basis of Preparation

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH has prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS) from 1 January 2005.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

(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 and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(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 that are transferred to the company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

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 under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

ABN: 44 673 398 674

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

(d) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the entity's intention to hold these investments to maturity. Any held-to-maturity investments held by the entity are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

(e) Impairment of Assets

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

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

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

(f) Employee Benefits

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related oncosts. 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.

(g) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(i) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

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).

(j) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

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

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

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

(I) Comparative Figures

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

Critical accounting estimates and judgments

Management evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key estimates — Impairment

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

Note 2 Revenue

	Note	2007 \$	2006 \$
Operating Activities			
— membership subscriptions and levies		13,932,844	13,436,632
— dividends received	2(a)	-	-
— interest received	2(b)	285,045	181,015
— construction revenue		-	-
— services revenue		94,303	59,270
— other revenues from operating activities		-	-
Total Revenue		14,312,192	13,676,917
Non-operating activities			
— gain on disposal of property, plant and equipment		370	7,853
— gains on disposal of non-current investments		-	-
— other revenues from non operating activities		-	-
Other income		370	7,853
(a) Dividend revenue from:			
— associated companies		-	-
— other corporations		-	-
— joint venture entities		-	-
Total dividend revenue		-	-
(b) Interest revenue from:			
— other related parties		-	-
— other persons		285,045	181,015
— directors		-	-
Total interest revenue		285,045	181,015

Note 3 Profit from Ordinary Activities

	2007 \$	2006 \$
(a) Expenses		
Affiliation fees	1,691,920	1,218,888
Finance costs:		
— Company	-	-
— Director related company	-	-
— Other persons	-	-
Total finance costs	-	-
Impairment of non-current investments to recoverable amount	-	-
Foreign currency translation losses	-	-
Bad and doubtful debts:		
— trade receivables	25	42
Total bad and doubtful debts	25	42
Rental expense on operating leases		
— minimum lease payments	-	-
— contingent rentals	-	-
— rental expense for sub-lease	-	-
Contingent rentals on finance leases	-	-
Research and development costs	-	-
(b) Significant Revenue and Expenses		
The following significant revenue and expense items are relevant in explaining the financial performance:		
— impairment of financial assets	-	-

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
ABN: 44 673 398 674
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

Note 4 Key Management Personnel Compensation

	Short-term Benefits \$	Post Employment Benefit \$	Total \$
2007			
Total compensation	<u>1,310,394</u>	<u>35,972</u>	<u>1,346,366</u>
2006			
Total compensation	<u>1,290,984</u>	<u>8,385</u>	<u>1,299,369</u>

Note 5 Auditors' Remuneration

	2007 \$	2006 \$
Remuneration of the auditor for:		
— auditing or reviewing the financial report	15,455	21,750
— taxation services	-	-
— due diligence services	-	-
— taxation services provided by related practice of auditor	-	-
	<u>-</u>	<u>-</u>

Note 6 Cash and Cash Equivalents

	2007 \$	2006 \$
Cash at bank and in hand	813,733	445,185
Short-term bank deposits	<u>3,677,539</u>	<u>3,286,599</u>
	<u>4,491,272</u>	<u>3,731,784</u>

The effective interest rate on short-term bank deposits was 7.2% (2006: 6.4%); these deposits have an average maturity of 45 days.

Reconciliation of cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	4,491,272	3,731,784
Bank overdrafts	-	-
	<u>4,491,272</u>	<u>3,731,784</u>

Note 7 Trade and Other Receivables

	2007 \$	2006 \$
CURRENT		
Trade receivables	76,145	60,917
Provision for impairment of receivables	-	-
	<u>76,145</u>	<u>60,917</u>
Other receivables	669,749	552,548
Other related parties	-	-
	<u>745,894</u>	<u>613,465</u>
NON-CURRENT		
Trade receivables	1,816,358	2,237,221
Provision for impairment of receivables	-	-
	<u>1,816,358</u>	<u>2,237,221</u>

Note 8 Other Assets

	2007 \$	2006 \$
CURRENT		
Prepayments	<u>317,164</u>	<u>314,231</u>
	<u>317,164</u>	<u>314,231</u>

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
ABN: 44 673 398 674
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

Note 9 Financial Assets

	2007 \$	2006 \$
Available-for-sale financial assets	8,000,000	8,000,000
Available-for-sale financial assets comprise:		
Listed investments		
— shares in listed corporations, at fair value	-	-
— shares in listed corporations, at cost	-	-
Unlisted investments, at fair value	-	-
Unlisted investments, at cost		
— shares in associates	8,000,000	8,000,000
— interest in joint venture entities	-	-
	<u>8,000,000</u>	<u>8,000,000</u>
Total available-for-sale financial assets	<u>8,000,000</u>	<u>8,000,000</u>

Available-for-sale financial assets comprise investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity date attached to these investments.

Note 10 Property, Plant and Equipment

	2007 \$	2006 \$
PLANT AND EQUIPMENT		
Plant and equipment:		
At cost	325,536	287,935
Accumulated depreciation	(203,172)	(173,069)
Accumulated impairment losses	-	-
	<u>122,364</u>	<u>114,866</u>
Total plant and equipment	<u>122,364</u>	<u>114,866</u>
Total property, plant and equipment	<u>122,364</u>	<u>114,866</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 1 January 2006	114,866	114,866
Additions	103,163	103,163
Disposals	65,562	65,562
Additions through acquisition of entity	-	-
Revaluation increments/(decrements)	(65,562)	(65,562)
Depreciation expense	(95,665)	(95,665)
Capitalised borrowing cost and depreciation	-	-
Carrying amount at 31 December 2007	<u>122,364</u>	<u>122,364</u>

(b) Impairment Losses

The total impairment loss recognised in the income statement during the prior period amounted to Nil and is separately presented in the income statement as impairment of property plant and equipment.

Note 11 Trade and Other Payables

	2007 \$	2006 \$
CURRENT		
Unsecured liabilities		
Unearned income - members' subscriptions paid in advance	217,443	424,665
Sundry payables and accrued expenses	521,798	566,114
Net GST liability	183,770	215,274
	<u>923,011</u>	<u>1,206,053</u>

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

Note 12 Provisions

	2007	2006
CURRENT		
Long-term Employee Benefits	\$	\$
Opening balance at beginning of year	1,737,379	1,710,898
Additional provisions raised during year	-	26,481
Amounts used	(44,275)	-
Balance at end of the year	<u>1,693,104</u>	<u>1,737,379</u>
NON-CURRENT		
Long-term Employee Benefits		
Opening balance at beginning of year	-	-
Additional provisions raised during year	-	-
Amounts used	-	-
Balance at end of the year	<u>-</u>	<u>-</u>
Analysis of Total Provisions		
Current	\$	\$
	1,693,104	1,737,379
Non-current	-	-
	<u>1,693,104</u>	<u>1,737,379</u>

Provision for Long-term Benefits

A provision has been recognised for employee entitlements relating to annual and long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits has been included in Note 1.

Note 13 Capital and Leasing Commitments

	Note	2007	2006
		\$	\$
Operating Lease Commitments			
Non-cancellable operating leases contracted for but not capitalised in the financial statements			
Payable — minimum lease payments			
— not later than 12 months		289,943	272,422
— between 12 months and five years		289,499	284,580
— greater than five years		-	-
		<u>579,442</u>	<u>557,002</u>

Note 14 Contingent Liabilities and Contingent Assets

	2007	2006
	\$	\$
Estimates of the potential financial effect of contingent liabilities that may become payable:		
Other		
Autopay arrangement	180,000	180,000
	<u>180,000</u>	<u>180,000</u>

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

Note 15 Cash Flow Information

	2007 \$	2006 \$
(a) Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Profit after income tax	808,802	1,115,479
Non-cash flows in profit		
Depreciation	95,665	71,480
Impairment of financial assets	-	-
Net gain on disposal of property, plant and equipment	(370)	(7,853)
Net gain on disposal of investments	-	-
Changes in assets and liabilities		
Increase/(decrease) in trade and term debtors	(132,428)	(53,771)
Decrease in other assets	(2,934)	(50,953)
(Increase)/decrease in payables	(283,042)	55,647
Increase/(decrease) in provisions	(44,275)	26,482
	<u>441,418</u>	<u>1,156,511</u>
(b) 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 nil (2006:nil) by means of hire purchase agreements.

(c) Credit Stand by Arrangement and Loan Facilities

The company has a bank overdraft and commercial bill facility amounting to nil (2006:nil).

Note 16 Events After the Balance Sheet Date

- (a) No known matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the entity's operations, the results of those operations for the state of affairs of the entity in subsequent financial years.
- (b) The financial report was authorised for issue on 2 May 2008 by the management.

Note 17 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 272 which read as follows:

- (1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

Note 18 Officers Remuneration

In accordance with the Reporting Guidelines made under s255 of the ROA Schedule at paragraph 11(g) employee benefits to holders of office of the reporting unit for the year ended 31 December 2007 was \$1,346,366.

In accordance with the Reporting Guidelines made under s255 of the ROA Schedule at paragraph 11(h) employee benefits to employees (other than holders of office) of the reporting unit for the year ended 31 December 2007 was \$5,147,371.

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

Note 19 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. 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

	2007 \$	2006 \$
Opening Balance	99,001	505,191
Add funds collected from levy	688,595	616,408
Add donation and interest income	4,298	10,786
	<u>692,893</u>	<u>627,194</u>
Total funds available	791,894	1,133,385
Less amounts paid for Public Education purposes	<u>(364,189)</u>	<u>(1,034,384)</u>
Funds available for Public Education campaign purposes as at 31 December	<u>427,705</u>	<u>99,001</u>
Public Education bank account at year end	514,698	12,385
Add amounts under/(over) remitted to Public Education account by AEU Vic Branch	<u>(86,993)</u>	<u>86,616</u>
	<u>427,705</u>	<u>99,001</u>

Source of funds

Excess of income over campaign spending	328,704	-
Reduction in bank account	-	606,124
Increase in amount owing by Public Education Campaign to AEU Vic Branch	86,993	-
Reduction in amount owing by AEU Vic Branch to Public Education Campaign	86,616	-
	<u>502,313</u>	<u>606,124</u>

Application of funds

Excess of campaign spending over income	-	406,190
Reduction of amount owing to AEU Vic Branch	-	113,408
Increase in amount owed by AEU Vic Branch	-	86,616
Increase in bank account	502,313	-
	<u>502,313</u>	<u>606,214</u>

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

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.

	2007 \$	2,006 \$
Opening Balance	23,372	22,672
Add donation and interest income	706	700
Total funds available	24,078	23,372
Less amounts paid for Certified Agreement Levy purposes	-	-
Funds available for Certified Agreement Levy purposes as at 31 December	<u>24,078</u>	<u>23,372</u>
Certified Agreement Levy bank account at year end	11,078	10,654
Add amounts under/(over) remitted to Certified Agreement Levy account by AEU Vic Branch	13,000	12,718
	<u>24,078</u>	<u>23,372</u>

Source of funds

Reduction in bank account	0	13,300
Reduction in amount owing by AEU Vic Branch/Increase in amount owed to AEU Vic Branch	-	-
Donation and interest income	706	700
	<u>706</u>	<u>14,000</u>

Application of funds

Campaign spending	0	-
Increase in bank account	424	-
Increase in amounts owed by AEU Vic Branch	282	14,000
	<u>706</u>	<u>14,000</u>

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

Note 20 Financial Instruments

(a) Financial Risk Management

The entity's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, bills and leases.

The main purpose of non-derivative financial instruments is to raise finance for the entity's operations.

The entity does not have any derivative instruments at 31 December 2007.

Financial Risks

The main risks the entity is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest rate risk

At 31 December 2007 the entity has no debt incurring interest cost. For further details on interest rate risk refer to Note 20(b).

Foreign currency risk

The entity is not exposed to fluctuations in foreign currencies.

Liquidity risk

The entity manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

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, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the entity.

Price risk

The entity is not exposed to any material commodity price risk.

(b) Interest Rate Risk

The entity'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		Floating Interest Rate		Within Year		Fixed Interest Rate Maturing		Non-interest Bearing		Total	
	Interest Rate		2007	2006	2007	2006	1 to 5 years		2007	2006	2007	2006
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	%	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets:												
Cash and cash equivalents	5.32	4.14	809,703	439,509	-	-	-	-	-	-	-	439,509
Receivables	0	0	-	-	-	-	-	-	2,562,252	2,850,686	-	2,850,686
Investments	7.24	6.44	-	-	3,677,539	3,286,599	-	-	-	-	-	3,286,599
Total Financial Assets			809,703	439,509	3,677,539	3,286,599	-	-	2,562,252	2,850,686	-	6,576,794
Financial Liabilities:												
Bank overdraft secured	-	-	-	-	-	-	-	-	-	-	-	-
Bank bills secured	-	-	-	-	-	-	-	-	-	-	-	-
Bank loan secured	-	-	-	-	-	-	-	-	-	-	-	-
Trade and other payables	-	-	-	-	-	-	-	-	923,011	1,206,053	923,011	1,206,053
Lease liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Total Financial Liabilities			-	-	-	-	-	-	923,011	1,206,053	923,011	1,206,053

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

ABN: 44 673 398 674

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

(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 entity 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.

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date

	2007		2006	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	\$	\$	\$	\$
Financial assets				
Available for sale financial assets at fair value	8,000,000	8,000,000	8,000,000	8,000,000
Loans and receivables	2,562,252	2,562,252	2,850,686	2,850,686
	<u>10,562,252</u>	<u>10,562,252</u>	<u>10,850,686</u>	<u>10,850,686</u>
Financial liabilities				
Bank overdraft secured	-	-	-	-
Bank bills secured	-	-	-	-
Bank loan secured	-	-	-	-
Trade and other payables	923,011	923,011	1,206,053	1,206,053
Lease liabilities	-	-	-	-
	<u>923,011</u>	<u>923,011</u>	<u>1,206,053</u>	<u>1,206,053</u>

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

ABN: 44 673 398 674

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

Note 21 Detailed Income and Expenditure Statement

	Note	2007 \$	2006 \$
<u>INCOME</u>			
Certified Agreement levy	19	706	700
Interest		285,045	181,015
Membership subscriptions		13,219,245	12,808,738
Other income		94,303	59,270
Profit/(Loss) on sale of furniture & fittings		370	7,853
Worksafe Funding		20,000	0
Public Education Campaign levy	19	692,893	627,194
<u>TOTAL INCOME</u>		<u>14,312,562</u>	<u>13,684,770</u>
<u>EXPENSES</u>			
Affiliation Fees		1,691,920	1,218,888
Campaigns - Certified Agreement levy	19	-	-
- Other campaigns		411,980	101,457
- Public Education Campaign levy	19	364,189	1,034,384
Communications: telephone, fax & internet		151,955	135,576
Conferences - Annual conference		18,577	7,799
- Other conferences & forums		50,125	50,812
Donations		6,592	1,802
Equipment - Furniture, computer & equipment sundry items		512,134	208,197
- Depreciation		95,665	71,480
- Lease & rental costs		90,229	86,648
- Maintenance of computers & equipment		39,301	27,935
Functions & farewells		8,455	6,918
Legal expenses		471,770	270,821
Library/information services		22,609	21,499
Membership services		492,656	358,319
Motor vehicle fleet costs		597,217	459,233
Miscellaneous		5,333	3,267
Office Expenses - Audit		15,455	21,750
- Bad debts written off		25	42
- Bank charges		2,780	1,983
- Office requisites & paper		57,720	55,658
- Postage		58,804	45,312
- Subscription collection costs		72,252	68,879
Publications		386,103	358,696
Regional offices: rent, rates, telephone, etc		152,474	142,186
Rent & outgoings: Trennery Crescent		305,196	385,298
Salaries - Annual leave		-95,252	-19,685
- Fringe benefits tax		54,788	92,010
- Insurance		35,055	47,516
- Leadership & others		5,514,002	5,194,354
- Long service leave		120,217	47,260
- Other salary costs		121,214	104,047
- Payroll tax		332,328	335,528
- Staff benefits reserve		0	367,320
- Superannuation		894,095	838,963
- Training		54,823	42,365
- Workcover		118,183	115,399
Structures		235,878	212,923
Travel expenses		36,913	46,452
<u>TOTAL EXPENSES</u>		<u>13,503,760</u>	<u>12,569,291</u>
OPERATING SURPLUS/(LOSS) BEFORE ABNORMAL ITEMS		<u>808,802</u>	<u>1,115,479</u>
ABNORMAL ITEM			
Impairment of financial assets	3	0	0
SURPLUS/(LOSS) AND ABNORMAL ITEM FOR THE YEAR		<u>808,802</u>	<u>1,115,479</u>

Note 22 Entity Details

The registered office of the company is:

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
112 Trennery Crescent
ABBOTSFORD VIC 3067

The principle place of business is:

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
112 Trennery Crescent
ABBOTSFORD VIC 3067



AUSTRALIAN EDUCATION UNION

Victorian Branch

112 Trenerry Crescent Abbotsford 3067
PO Box 363 Abbotsford 3067

telephone: 03 9417 2822: 1800 013 379 fax: 03 9417 6198 web: www.aeuvic.asn.au email: melbourne@aeuvic.asn.au

COMMITTEE OF MANAGEMENT STATEMENT

On 2 May 2008 the Committee of Management of the Australian Education Union Victorian Branch being the AEU Victorian Branch Council passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2007.

The AEU Victorian Branch Council declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar for purposes of section 270 of the RAO Schedule;
- (b) the financial statements and notes give a true and fair view of the financial performance and financial position of the reporting unit for the financial year to which they relate;
- (c) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (d) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - (iv) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member of Registrar; and
 - (v) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.
- (e) in relation to recovery of wages activity:
 - (i) there has been no such activity undertaken by the reporting unit.

For Committee of Management:
Title of Office held:

Brian John Henderson
Branch Secretary

Signature: _____

Date: 2 / 05 / 08



A c c o u n t a n t s & A d v i s o r s

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 2007. The financial report includes the financial statements of the Union. The Committee of Management 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 the Workplace Relations Act 1996 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.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional and ethical pronouncements and the Corporations Act 2001.

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration, as set out following the operating report, has not changed as at the date of providing our audit opinion.

Audit Opinion

In our opinion, the general purpose financial report of Australian Education Union Victorian Branch presents fairly the financial position of Australian Education Union Victorian Branch as at 31 December 2007 and the results of its operations and its cash flows for the financial year then ended, in accordance with any of the following that apply in relation to the reporting unit:

- (a) the Australian Accounting Standards; and
- (b) the requirements imposed by Part 3 of Chapter 8 of the Schedule 1B of the Workplace Relations Act 1996.

Charman Partners

Partner : Mark Peter Barson

Registered Company Auditor

Member of the Institute of Chartered Accountants in Australia holding a current Public Practice Certificate

Date : 14 May 2008

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