FAIR WORK
AUSTRALIA

18 July 2011

Mr Brian Henderson
Secretary
Australian Education Union, Victorian Branch

email: melbourne@aeuvic.asn.au

Dear Mr Henderson

Re: Financial Report for the Australian Education Union, Victorian Branch for year ended 31 December 2010 – FR2010/2900

I acknowledge receipt of the financial report for the Australian Education Union, Victorian Branch for the year ended 31 December 2010. The report was lodged with Fair Work Australia on 20 June 2011.

The financial report has now been filed.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged.

Scope of the Auditor's report

The scope of the audit report should explicitly refer to all documents in the general purpose financial report (GPFR), including the notes to the financial statements and the Committee of Management Statement (see ASA 700, Fair Work (Registered Organisations) Act 2009 (the Act) section 253(2)(c) and item 24 of the General Manager's Reporting Guidelines (the guidelines). In future years please ensure that the scope of the Auditor's report explicitly includes all parts of the GPFR.

Disclosure of provisions for office holders and other employees

The guidelines require that either the balance sheet or the notes disclose any liability for employee benefits in respect of office holders as well as other employees (items 14(c) and 14 (d)). Note 14 discloses these liabilities but does not distinguish between provisions for office holders and other employees. In future years please ensure that these provisions are separately disclosed.

Notes to the Cash Flow Statement

Guideline 15 states that 'where another reporting unit of the organisation is the source of cash inflow or the application of a cash outflow, such cash flow should be separately disclosed in the notes to the financial statements and show the name of the other reporting unit concerned'. This is in addition to the requirement to disclose capitation fees to the national office (Reporting Guideline 11(b)). In future years please ensure that cash flows to and from the national office (and any branches if relevant) are disclosed in the notes to the cash flow statement.

Fair Work (Registered Organisations) Act 2009

Reference to the 'RAO Schedule' appearing in the designated officer's certificate and the Committee of Management statement should properly refer to the 'Fair Work (Registered Organisations) Act 2009'. Also reference to the 'Industrial Registrar' and the 'RAO Regulations' in the Committee of Management statement should properly refer to the 'General Manager' and the 'Fair Work (Registered Organisations) Regulations 2009' respectively.

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

Yours sincerely

Kevin Donnellan

Tribunal Services and Organisations

Fair Work Australia
Email: kevin.donnellan@fwa.gov.au

AUSTRALIAN EDUCATION UNION

ABN: 44673398674

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Victorian Branch 112 Trenerry Crescent Abbotsford 3067
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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 27 May 2011; 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 17 June 2011; in accordance with section 266 of the RAO Schedule.

Signature: Brian Henderson

(Branch Secretary)

Date: 17/06/2011

AUSTRALIAN EDUCATION UNION
VICTORIAN BRANCH

ABN: 44 673 398 674

Financial Report For The Year Ended
31 December 2010

Australian Education Union Victorian Branch

ABN: 44 673 398 674

Financial Report For The Year Ended 31 December 2010

OPERATING REPORT FOR THE 2010 FINANCIAL YEAR
AEU VICTORIAN BRANCH

Principal Activities

The schools sectors were involved in a dispute with the Federal Government over the conduct of NAPLAN testing in schools. The dispute saw the union threaten to defer participation by teachers in NAPLAN testing until certain conditions were met for reporting NAPLAN outcomes on the Federal Government's "My School" website. The union faced Federal Court proceedings and possible fines; however an agreement was reached with the Government at the last minute to set up a working party, which in turn led to substantial changes being made to the way in which data was reported on the "My Schools" website.

The union was involved in two major campaigns around public education for the State and Federal elections. The union participated in a Federal campaign to achieve a fairer funding formula from the Federal Government that recognises that public schools are the primary funding obligation of the Federal Government and that the current funding formula instituted by the Howard Government is unfair and corrupt.

The major activities in the early childhood sector were focussed around the significant changes and challenges of the COAG reform agenda for early childhood education and care. With a package of reforms flowing one fast on the heels of the next, members have required advice and support to understand and engage with these changes and the associated processes. Significant work has been done with the department around the integral issues of workforce, workload, funding, professional development and resources to support members and services in the implementation of the agenda. This is ongoing work. Recruitment and retention has been a significant aspect of the sectors work as the capacity for the delivery of the COAG agenda relies upon growing that workforce across the breadth of early childhood services.

In the TAFE sector the union also continued its campaign against the State Government's Skills Reforms through the "TAFE4All Campaign". In the Disability sector the AEU continued its participation as an Applicant in the Pay Equity campaign for all disability workers by attending a public demonstration held in Melbourne's Federation Square and by appearing as a witness in the proceedings before Fair Work Australia.

The following significant submissions were lodged during the year:

- State Budget Submission 2010 - 2011 December 2010;
- National Pre Service Accreditation Guidelines – AITSL;
- BER Inquiry - Federal Government;
- Victorian Skills Reform Review – Victorian Government;
- Victorian Languages Strategy – Victorian Government.

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 State election in November 2010.

Recruitment

In 2010 we maintained strong recruitment levels as the following table demonstrates.

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	TOTAL
2010	677	635	863	816	651	473	438	500	453	445	444	478	6873

Financial Affairs

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

In 2010 we held approximately $2.7 million in cash or short term deposits and cash.

In 2010 the net loss from ordinary activities was $756,529 compared to a net loss of $569,682 in 2009. On the income side, membership subscriptions, including PEC levies, increased by over $1.6 million. Interest received decreased by about $77,000. On the expense side, legal costs increased $0.13 million, depreciation by over $0.4 million following substantial investment on the membership data base system and communication equipment. Salaries and related costs increased by about $0.6 million. Public Education Campaign spending increased by over $1.1 million due to our campaigning around the Federal and State elections.

The TFV Building was revalued at $13.70 million. This is a decrease on the previous valuation of $14.75 million made prior to the global financial crisis.

Over the past decade our building at 112 Trenerry Crescent has been continually renovated internally to meet the increasing needs of our organisation. Added to these re-developments we have been forced to spend increasing amounts of the budget on maintenance of a 90 year old building. We have for instance, carried out a complete repaint, re-siliconed all windows to stop leaks and rusting of steel window frames, replaced the water tower air-conditioning system with a sealed refrigerated system, re-roofed various sectors, upgraded the electricity supply, replaced the boiler for heating and re-carpeted 90% of the entire building. Increasingly we have come to the realisation that the building simply no longer meets our needs and would fail to meet our needs into the future.

The AEU has purchased the property next door at 126 Trenerry Crescent Abbotsford with a view to relocating to that building once the current tenants decide to vacate the premises or when the lease runs out. The property is similar in total size to the current building but over two levels. Importantly the structure does not have the numerous structural columns that have been such an encumbrance in the current building.

The purchase of the building has been financed by mecu and the current rental income more than meets our interest payments on the loan. The AEU is currently investigating redevelopment options and associated planning permits for the office site at 112 Trenerry Crescent in preparation of a future move.

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:

Christine. M. STEWART
Barbra A NORRIS

The latter two 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 42,834 members and ended with 45,323, members which represent an increase of 2489 (5.81%) members in the reporting year.

The following figures indicate the growth of the organisation on a Sector basis from 1 January 2010 to 31 December 2010:

Primary	7.53% or	or	1542 members
Secondary	4.33%	or	682 members
Early Childhood	15.26%	or	283 members
TAP	-0.378%	or	-18 members
TOTAL	**5.81% or**	**2,489 members**	

(b) At 31/12/2010 the reporting unit employed 95 persons which translated to 81.9211 equivalent full-time employees (61 Full time, 20.9211 Part time).

BRANCH COUNCIL MEMBERS 2010

ELECTORATE	No per electo rate	PRIMARY	No per electo rate	SECONDARY	No per electo rate	EARLY CHILDHOOD
SOUTH EAST 1 Doncaster / Warringal Inner East Greater Waverley	5	Brookes, Gillian Halden, Andrea Greaves, Erin (from 27.4.10) Wirth, Alice (from 27.4.10 – resigned 17.12.10)	4	Angus, Cheryl Bennett, Patricia Cookson, Wendy Steane, Valerie	5	Evans, Bruna
SOUTH EAST 2 Outer Easter Yarra Valley Knox /Dandenong Ranges	4	Pontin, Clive Clarke, Brian (from 27.4.10) Murphy, Brendan (from 27.4.10) Raeck, Seona (from 27.4.10)	3	Currie, Jennifer (resigned 31.12.10) Ellingworth, Amanda (from 27.4.10) Lennon, Brian	4	Buttler, Karina (resigned 29.11.10) Lyons, Maree (resigned 16.6.10) Kapoor, Madhu
SOUTH EAST 3 Berwick/Pakenham /Cranbourne/Wonthaggi South Eastern	4	Lylak, Nicole Sharp, Kathy Surmacz, Adam Vrondou, Chris	4	Adams, Steven Crotty, Judith Glare, Dean Patten (nee Hurling), Angela	3	Bird, Jo Murray, Ann Patrick, Sue
SOUTH EAST 4 Longbeach/Moorabbin Frankston Peninsula	6	Farrelly, Rita Fitness, Annaka (from 22.10.10) Killen, Amber Luebbers, Barbara Whyte, Lisa	4	Bryce, Andy Denehey, Carole Kumar, Andrew Patton, Felix	6	Avard, Helander Simpkin, Jill
NORTH WEST 1 Diamond Valley Latrobe/Plenty Inner City	5	Atkinson, Athony Curtis, Peter (resigned 25.11.10) Cohen, Daniel Ghiotti, Beth McPherson, Hamish	5	Butler, Mick Finlay, Kirsten Merkenich, Mary Rundle, Norrian Twiddy, Andrew	4	Fitzgerald, Susan James, Diane (resigned 18.6.10) La Rosa, Danielle (from 22.10.10) Soccio, Catherine (from 22.10.10)
NORTH WEST 2 Inner West Werribee	4	Duncan, Briley Foster-Brady, Anastasia Greaves, Erin (resigned 9.2.10) Menhennet, Shelley	3	Lovelock, Chris Peterson, Andrew O'Flaherty, Maureen	3	Grarock, Max Lloyd, Rachelle
NORTH WEST 3 Broadmeadows Maribyrnong Sunbury Melton	6	Donovan, Alison O'Grady, Erin Perry, Pamela Pontikis, Mary-Anne Pope, Kevin Walker, Peter	4	Breen, Geoffrey Cook, Philip D'Ortenzio, Marino Quinn, Julie	4	Bourke, Nicole O'Dwyer, Dianne
BARWON SOUTH WEST 1 Geelong	2	Augerinos, Andrew Crockart, Ian	2	Mantelli, Ubaldino Wight, Philip	2	
BARWON SOUTH WEST 2 Colac Hamilton/Portland Warrnambool	1	Clift, David (resigned 25.10.10)	1	Martina, Peter	1	Davis, Gayle
CENTRAL HIGHLANDS WIMMERA 1 Ballarat	1	Farquhar, Reginald	1	Aitken, Catherine	1	Wain, Monica

ELECTORATE	No per electo rate	PRIMARY	No per electo rate	SECONDARY	No per electo rate	EARLY CHILDHOOD
CENTRAL HIGHLANDS WIMMERA 2 Stawell Horsham	1	Prollius, Samantha	1	Matthews, Rosalee	1	
GIPPSLAND 1 West Gippsland South Gippsland	1	Hussey, Mick	1	Humphries, Jessie	1	Brady, Lynne
GIPPSLAND 2 Latrobe Valley	1	Stringer, Angela	1	Jackson, Ross	1	
GIPPSLAND 3 Sale East Gippsland	1	Nicholas, Ross	1	Stephenson, Rupert	1	
GOULBURN NORTH EAST 1 Benalla Seymour	1		1	Brookes, Jennifer	1	Heaps, Jennifer
GOULBURN NORTH EAST 2 Kyabram Shepparton	1	Coghlan, Kellie	1	Muston, Robert	1	Kirby, Juineta
GOULBURN NORTH EAST 3 Wodonga Wangaratta	1	Dews, Merrilyn	1	Morton, Patti (resigned 23.6.10)	1	
LODDON CAMPASPE MALLEE 1 Bendigo-Maryborough Castlemaine	2	Lewis, Marg Reidy, Barbara	1	Manning, Jack	1	
LODDON CAMPASPE MALLEE 2 Bendigo/Echuca Swan Hill	1	De Morton, Phillip	1		1	
LODDON CAMPASPE MALLEE 3 Mildura	1	Bell, John	1	Hines, Anne (from 27.4.10)	1	Hart, Sophie
ALLIED SUB-SECTOR	7	Bush, Kate (resigned 13.10.10) Foenander, Jan Ganosis, Sylvia Henry, Debbie (resigned 25.1.10) McKenzie, Pam (from 22.10.10) McPherson, Deb (from 22.10.10) Slatter, Vivien (from 22.10.10) Tenson, Katrina	4	Davis, Alison Macardy, Rae Robinson, Ann Shell, Donna		

TAP SECTOR COUNCILLORS – TAFE, DISABILITY, AMES

TAFE SUB SECTOR	No. per workplace	Councillors
Ballarat University	2	Robert Floky Julie-Anne Noble
Bendigo Regional Institute of TAFE	2	Greg Barclay Stacey Clark
Box Hill Institute of TAFE	3	Peter Ryan Fergus Hudson (resigned 8.9.10)
Central Gippsland Institute of TAFE	1	Peter Sheehan
Chisholm Institute of TAFE	4	Steve Beattie Anthony Bundock Ken Drechsler Peter Malone
East Gippsland Community Institute of TAFE	1	Michael Clark
Gordon Institute of TAFE	3	Angela Di Sciascio Brett Gear Sue Mandley
Goulburn Ovens Institute of TAFE	1	Barbara Van Leest
Holmesglen Institute of TAFE	3	Stephen Ireland (resigned 15.10.10) Helen Wiggins (resigned 31.8.10)
Kangan/Batman Institute of TAFE	3	Robert Bonner (resigned 23.12.10) Mike Devine Damien Flynn (from 27.4.10)
Northern Melbourne Institute of TAFE	4	Yolanda Ingley Craig Jones Gerard Beaton **1 Vacancy**
RMIT - TAFE Division	4	Russell Edis Kirsty Gorter Ted Bown Mary Collins
South West Institute of TAFE	1	Doreen Risbey
Sunraysia Institute of TAFE	1	Ray Cadmore
Swinburne Uni of Technology - TAFE Division	4	Frank Lawlor George Ulehla
Victorian University of Technology - TAFE Div	4	Jacinta Kirkpatrick Kevin Baker John Banjanin Norm Colling
William Angliss Institute of TAFE	1	Marylouise Chapman (resigned 30.8.10) Garry Blackburn (from 29.10.10)
Wodonga Institute of TAFE	1	Ian Lack
DISABILITY SERVICES	8	Simona Karner Carmel Coogan (from 27.4.10) Terry Hurley (from 29.10.10) 6 Vacancies
AMES	2	2 Vacancies

AEU VICTORIAN BRANCH
BRANCH COUNCIL 2010

Entitlement:	
All Primary Sector Councillors	56
All Secondary Sector Councillors	45
TAFE & Adult Provision Sector -	13 (incl Disb and AMES quota)
- Disability Services – 2	
- AMES sub-sector – 1	
Early Childhood Sector -	4
Elected Leadership	12

TAFE Sub-Sector (10 positions)

Barclay	Greg
Brown	Ted
Bundrock	Tony
Jones	Craig
Lack	Ian
Malone	Peter
Mandley	Sue
Noble	Julie-Anne
Sheehan	Peter

Disability Services Sub-Sector (2 positions)

Vacanct

AMES Sub-Sector (1 position)

1 Vacancy

Early Childhood Sector

Bird	Joanne
Burke	Nicole
GRAROCK	Max
O'DWYER	Dianne

Branch Officers

Mary Bluett, Meredith Peace, Brian Henderson, Gillian Robertson, Carolyn Clancy, James Rankin, Justin Mullally, Erin Aulich , Martel Menz,
Jo Fogarty, Mark Hyde (resigned 31 December, 2010).

Brian Henderson
Branch Secretary
12 May, 2011

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

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2010 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 Barson
Date	12/05/2011
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 2010

	Note	2010 $	2009 $
Revenue	2	18,840,102	17,323,188
Other income	2	-	226
Changes in inventories		-	-
Raw materials and consumables used		-	-
Employee benefits expense		(9,525,936)	(8,920,751)
Freight and cartage		-	-
Occupancy expenses		(544,480)	(603,131)
Administration expenses		(8,780,735)	(8,061,294)
Depreciation and amortisation expense		(720,819)	(283,426)
Commission paid		-	-
Impairment of property, plant and equipment	11	-	-
Revaluation of property, plant and equipment		-	-
Finance costs	3(a)	-	-
Other expenses		(24,661)	(24,494)
Share of net profits of associates and joint venture entities		-	-
Profit before income tax	3	(756,529)	(569,682)
Profit for the year	3	(756,529)	(569,682)

The accompanying notes form part of these financial statements.

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
ABN: 44 673 398 674
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2010

		2010	2009
		$	$
Profit for the year		(756,529)	(569,682)
Other comprehensive income:			
Net loss on revaluation of land and buildings		-	-
Net gain on revaluation of financial assets		-	-
Other comprehensive income for the year, net of tax	3(c)	-	-
Total comprehensive income for the year		(756,529)	(569,682)
Total comprehensive income attributable to:			
Members of the parent entity			

The accompanying notes form part of these financial statements.

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
ABN: 44 673 398 674
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010

	Note	2010 $	2009 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	2,697,244	5,397,528
Trade and other receivables	7	407,191	381,979
Other current assets	8	394,011	267,185
TOTAL CURRENT ASSETS		3,498,446	6,046,692
NON-CURRENT ASSETS			
Trade and other receivables	7	1,272,823	1,539,796
Deposit on purchase of 126-142 Trennery Crescent	9	1,721,591	-
Financial assets	10	8,000,000	8,000,000
Property, plant and equipment	11	1,423,922	712,860
Other non-current assets	8	-	-
TOTAL NON-CURRENT ASSETS		12,418,336	10,252,656
TOTAL ASSETS		15,916,782	16,299,348
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	1,605,330	1,423,210
Other financial liabilities	13	-	-
Short-term provisions	14	2,238,813	2,046,970
TOTAL CURRENT LIABILITIES		3,844,143	3,470,180
NON-CURRENT LIABILITIES			
Trade and other payables	12	-	-
Long-term provisions	14	-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		3,844,143	3,470,180
NET ASSETS		12,072,639	12,829,168
EQUITY			
Reserves		-	-
Retained earnings		12,072,639	12,829,168
TOTAL EQUITY		12,072,639	12,829,168

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 2010

	Note	Retained Earnings (accumulated losses)	General Reserve	Total
		$	$	$
Balance at 1 January 2009		13,398,850	-	13,398,850
Transfers from retained earnings to general reserve		-	-	-
Loss attributable to members		(569,682)	-	(569,682)
Total other comprehensive income for the year		-	-	-
Sub-total		12,829,168	-	12,829,168
Dividends paid or provided for		-		-
Balance at 31 December 2009		12,829,168	-	12,829,168
Balance at 1 January 2010		12,829,168	-	12,829,168
Transfers from retained earnings to general reserve		-	-	-
Total other comprehensive income for the year		-	-	-
Loss attributable to members		(756,529)		(756,529)
Sub-total		12,072,639	-	12,072,639
Dividends paid or provided for		-		-
Balance at 31 December 2010		12,072,639	-	12,072,639

The accompanying notes form part of these financial statements.

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
ABN: 44 673 398 674
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 $	2009 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		18,742,575	17,568,951
Payments to suppliers and employees		(18,726,415)	(17,380,453)
Dividends received		-	-
Interest received		170,056	247,274
Finance costs		-	-
Income tax paid		-	-
Net cash provided by/(used in) operating activities	17(a)	186,216	435,772
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	226
Proceeds from sale of investments		-	-
Purchase of property, plant and equipment		(3,153,472)	(869,457)
Purchase of investments		-	-
Dividends received from associates and joint ventures		-	-
Loans to related parties			
— payments made		(394,348)	230,422
— proceeds from repayments		661,320	-
Net cash provided by/(used in) investing activities		(2,886,500)	(638,809)
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		-	-
Net increase/(decrease) in cash held		(2,700,284)	(203,037)
Cash and cash equivalents at beginning of financial year		5,397,528	5,600,565
Cash and cash equivalents at end of financial year	6	2,697,244	5,397,528

The accompanying notes form part of these financial statements.

These financial statements and notes represent Australian Education Union Victorian Branch.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board, the Corporations Act 2001 and the requirements imposed by the reporting guidelines of Section 255, Division3, Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(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 50.1 of the Income Tax Assessment Act 1997.

(b) Property, Plant and Equipment

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

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

In the periods when the freehold land and buildings are not subject to an independent valuation, Leadership conduct valuations to ensure the land and buildings' carrying amount is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

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.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Union 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
Buildings	2.5%
Plant and equipment	30%
Membership Database	30%
Communications Equipment	30%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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 statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus 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, which are transferred to the entity 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 on a straight-line basis over the lease term.

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

(d) Employee Benefits

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to the end of the reporting period. 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. 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. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

(e) 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. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(f) 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 statement of financial position.

(g) Revenue and Other Income
Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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

(h) Trade and Other Payables
Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the entity during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(i) 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 or sale.

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

(j) 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 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.

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.

(k) Comparative Figures
When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where Branch Council has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(l) Critical Accounting Estimates and Judgements
Branch Council evaluates estimates and judgments incorporated into the financial statements 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

Key estimates

(I) *Impairment*
Branch Council assesses impairment at the end of each reporting period by evaluation of conditions and events specific to Branch Council that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key

(m) Adoption of New and Revised Accounting Standards
During the current year the entity has adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of Australian Education Union Victorian Branch.

AASB 3 Business Combinations

In March 2008 the Australian Accounting Standards Board revised AASB 3, and as a result some aspects of business combination accounting have changed.

Recognition and measurement impact

Recognition of acquisition costs – The revised version of AASB 3 requires that all costs associated with a business combination be expensed in the period in which they were incurred. Previously such costs were capitalised as part of the cost of the business combination.

Disclosure impact

The revised AASB 3 contains a number of additional disclosure requirements, not required by the previous version of AASB 3. The revised disclosures are designed to ensure that users of the entity's financial statements are able to understand the nature and financial impact of any business combinations on the financial statements.

AASB 101 Presentation of Financial Statements
In September 2007 the Australian Accounting Standards Board revised AASB 101, and as a result there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the entity's financial statements.

Disclosure impact
Terminology changes – The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary statement names.

Reporting changes in equity – The revised AASB 101 requires all changes in equity arising from transactions with owners in their capacity as owners to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

Statement of comprehensive income – The revised AASB 101 requires all income and expenses to be presented in either one statement — the statement of comprehensive income, or two statements — a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The entity's financial statements now contain a statement of comprehensive income.

Other comprehensive income – The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises of income and expense that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

(n) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the entity has decided not to early adopt. A discussion of those future requirements and their impact on the entity is as follows:

— *AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013)*

These standards are applicable retrospectively and amend the classification and measurement of financial assets. The Entity has not yet determined any potential impact on the financial statements.

The changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and
- requiring financial assets and to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows.

— *AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011)*

This Standard removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies the definition of a 'related party' to remove inconsistencies and simplify the structure of the Standard. No changes are expectec to materially affect the company.

— *AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013)*

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

- Tier 1: Australian Accounting Standards; and
- Tier 2: Australian Accounting Standards - Reduced Disclosure Requirements.

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

The following entities are required to apply Tier 1 reporting requirements (i.e. full IFRS):

- for-profit private sector entities that have public accountability; and
- the Australian Government and State, Territory and Local Governments.

Subject to AASB 1049, General Government Sectors of the Australian Government and State and Territory Governments would also apply Tier 1 reporting requirements.

The following entities can elect to apply Tier 2 of the framework when preparing general purpose financial statements:

- for-profit private sector entities that do not have public accountability;
- not-for-profit private sector entities; and
- public sector entities, whether for-profit or not-for-profit, other than the Australian Government and State, Territory and Local Governments.

AASB 2010-2 makes amendments to Australian Accounting Standards and Interpretations to give effect to the reduced disclosure requirements for Tier 2 entities. It achieves this by specifying the disclosure paragraphs that a Tier 2 entity need not comply with as well as adding specific 'RDR' disclosures.

— *AASB 2009-10: Amendments to Australian Accounting Standards – Classification of Rights Issues [AASB 132] (applicable for annual reporting periods commencing on or after 1 February 2010)*

This Standard clarifies that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all existing owners of the same class of its own non-derivative equity instruments. The amendments are not expected to impact the entity.

— *AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011)*

This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflec changes made to the text of IFRSs by the IASB. The Standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The amendments are not expected to impact the entity.

— *AASB 2009-13: Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (applicable for annual reporting periods commencing on or after 1 July 2010)*

This standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19. This Standard is not expected to impact the entity.

— *AASB 2009-14: Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011)*

This standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan. This Standard is not expected to impact the entity.

— *AASB 2010-3: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 3, AASB 7, AASB 121, AASB 128, AASB 131, AASB 132 & AASB 139] (applicable for annual reporting periods commencing on or after 1 July 2010).*

This Standard details numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvements project. Key changes include:

- requiring that recognition and/or adjustment of contingent consideration for acquisitions preceding 1 July 2009 be recognised against the cost of acquisition;
- clarifying the accounting for replacement share-based payments awarded to the acquiree's employees as part of the cost of the combination service, or in the case of non-replaced and unvested share-based payments of the acquiree that do not form part of the exchange, an allocation to both the cost of acquisition and post-combination services on the basis of a market-based measure; and
- sundry transitional amendments to various Standards.

This Standard is not expected to impact the entity.

— *AASB 2010-4: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13] (applicable for annual reporting periods commencing on or after 1 January 2011).*

This Standard details numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvements project. Key changes include:

- clarifying the application of AASB 108 prior to an entity's first Australian Accounting Standard financial statements;
- AASB 7 is amended to add an explicit statement that qualitative disclosures should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments;
- AASB 101 is amended to clarify that disaggregation of changes in each component of equity arising from transactions recognised in other comprehensive income is required to be presented, but is permitted to be presented in the statement of changes in equity or in the notes;
- AASB 134 is amended by adding a number of examples to the list of events or transactions that require disclosure under AASB 134; and
- sundry editorial amendments to various Standards and Interpretations.

This Standard is not expected to impact the entity.

— *AASB Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments (applicable for annual reporting periods commencing from 1 July 2010).*

This Interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The Interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at their fair value unless fair value cannot be measured reliably, in which case they shall be measured at the fair value of the liability extinguished. The Interpretation deals with situations where either partial or full settlement of the liability has occurred. This Interpretation is not expected to impact the entity.

The entity does not anticipate early adoption of any of the above Australian Accounting Standards.

Note 2 Revenue and Other Income

	Note	2010 $	2009 $
Sales revenue:			
— sale of goods		-	-
— provision of services		-	-
Total sales revenue		-	-
Other revenue:			
— membership subscriptions and levies		18,620,824	17,007,548
— dividends received			
— associated companies		-	-
— other corporations		-	-
— joint venture entities		-	-
Total dividend revenue		-	-
For details of dividends received from related party entities refer to Note 22			
— interest received			
— related parties	22	-	-
— other persons		170,056	247,274
— directors		-	-
Total interest revenue on financial assets not at fair value through profit of loss		170,056	247,274
— construction revenue		-	-
— services revenue		-	-
— other revenues		49,222	68,366
Total other revenue		219,278	315,640
Total sales revenue and other revenue		18,840,102	17,323,188
Other income:			
— gain on disposal of property, plant and equipment		-	226
— gains on disposal of non-current investments		-	-
— other income		-	-
Total other income		-	226

Note 3 Profit before Income Tax

	2010 $	2009 $
Profit before income tax from continuing operations include the following specific expense		
(a) Expenses		
Affiliation fees	1,838,548	1,633,475
Interest expense on financial liabilities not at fair value through profit or loss:		
— external entities	-	-
— related entities	-	-
— other related parties	-	-
Total finance costs	-	-
Employee benefits expense:		
— contributions to defined contribution superannuation funds	9,525,936	8,920,751
Other expenses:		
Impairment of non-current investments	-	-
Foreign currency translation losses	-	-
Bad and doubtful debts:		
— trade receivables	-	-
Total bad and doubtful debts	-	-
Rental expense on operating leases		
— minimum lease payments	492,302	413,467
— contingent rentals	-	-
— rental expense for sub-lease	-	-
	492,302	413,467
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:		
— Write-off of obsolete inventory included within cost of sales	-	-
— Loss on disposal of property, plant and equipment	-	-
— Loss on disposal of non-current investments	-	-

Note 4 Key Management Personnel Compensation

The totals of remuneration paid to key management personnel (KMP) of the entity during the year are as follows:

	2010 $	2009 $
Short-term employee benefits	1,671,779	1,535,491
Post-employment benefits		
Other long term benefits		
Termination benefits		
Share-based payments		
	1,671,779	1,535,491

Other KMP Transactions

For details of other transactions with KMP, refer to Note 22: Related Party Transactions.

Note 5 Auditors' Remuneration

	2010 $	2009 $
Remuneration of the auditor for:		
— auditing or reviewing the financial report	23,350	21,300
— taxation services	-	-
— due diligence services	-	-
— taxation services provided by related practice of auditor	-	-

Note 6 Cash and Cash Equivalents

	Note	2010 $	2009 $
CURRENT			
Cash at bank and in hand		1,105,058	1,006,669
Short-term bank deposits		1,592,186	4,390,859
		2,697,244	5,397,528

The effective interest rate on short-term bank deposits was 5.5% (2009: 4.45%); these deposits have an average maturity of 90 days.

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

	2010	2009
Cash and cash equivalents	2,697,244	5,397,528
Bank overdrafts	-	-
	2,697,244	5,397,528

Note 7 Trade and Other Receivables

	Note	2010 $	2009 $
CURRENT			
Trade receivables		65,674	115,862
Provision for impairment	7(a)	-	-
		65,674	115,862
Other receivables		341,517	266,117
Other related parties	22(d)	-	-
Total current trade and other receivables	7(b)	407,191	381,979
NON-CURRENT			
Trade receivables		-	-
Provision for impairment	7(a)	-	-
Other receivables		1,272,823	1,539,796
Other related parties		-	-
Total non-current trade and other receivables		1,272,823	1,539,796

(a) Provision For Impairment of Receivables

Current trade and term receivables are non-interest bearing loans and generally on30 day terms. Non-current trade and term receivables are assessed for recoverability based on the underlying terms of the contract. A provision for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired. These amounts have been included in the other expenses item.

Movement in the provision for impairment of receivables is as follows:

	Opening Balance 1 January 2009 $	Charge for the Year $	Amounts Written Off $	Closing Balance 31 December 2009 $
Current trade receivables				-
	-	-	-	-

	Opening Balance 1 January 2010 $	Charge for the Year $	Amounts Written Off $	Closing Balance 31 December 2010 $
Current trade receivables	-			-
	-	-	-	-

Credit risk

The entity has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 7. The main source of credit risk to the entity is considered to relate to the class of assets described as 'trade and other receivables'.

The following table details the entity's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the company and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the entity.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

2010	Gross Amount	Past due and impaired	Past due but not impaired (days overdue) < 30	31 – 60	61 – 90	>90	Within initial trade terms
	$	$	$	$	$	$	$
Trade and term receivables	65,674		65,674			-	
Other receivables	1,614,340			341,517		1,272,823	
Total	1,680,014	-	65,674	341,517	-	1,272,823	-

2009	Gross Amount	Past due and impaired	Past due but not impaired (days overdue) < 30	31 – 60	61 – 90	>90	Within initial trade terms
	$	$	$	$	$	$	$
Trade and term receivables	115,862		115,862				
Other receivables	1,805,913			266,117		1,539,796	
Total	1,921,775	-	115,862	266,117	-	1,539,796	-

The company does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

(b) Financial assets classified as loans and receivables

	Note	2010 $	2009 $
Trade and other Receivables			
— Total Current		407,191	381,979
— Total Non-Current		1,272,823	1,539,796
Financial Assets	23	1,680,014	1,921,775

(c) Collateral pledged

No collateral is held over trade and other receivables.

Note 8 Other Assets

	2010 $	2009 $
CURRENT		
Calls in arrears	-	-
Prepayments	394,011	267,185
	394,011	267,185
NON-CURRENT		
Calls in arrears	-	-
Prepayments	-	-
	-	-

Note 9 Deposit on acquisition of 126-142 Trennery Crescent

	2010 $	2009 $
Deposit on acquisition of 126-142 Trennery Crescent	1,721,591	-
	1,721,591	-

The Australian Education Union Victorian Branch entered into a contract on the 12 November 2010 to purchase the property situated at 126-142 Trenerry Crescent with settlement to be effected on 15 March 2011. Refer to Note 16 for further details.

Note 10 Financial Assets

	Note	2010 $	2009 $
NON-CURRENT			
Available-for-sale financial assets	10(a)	-	-
Other Investments	10(b)	8,000,000	8,000,000
Total Non-current Assets		8,000,000	8,000,000

(a) **Available-for-sale financial assets**

Listed investments, at fair value:		
— shares in listed corporations	-	-
Unlisted investments, at fair value	-	-
Total available-for-sale financial assets	-	-

Available-for-sale financial assets comprise investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity dates attached to these investments. No intention to dispose of any unlisted available-for-sale financial assets existed at 31 December 2010.

(b) **Other investments**

Shares in associates	8,000,000	8,000,000
Shares in joint venture entities	-	-
	8,000,000	8,000,000

Note 11 Property, Plant and Equipment

	2010 $	2009 $
PLANT AND EQUIPMENT		
Plant and equipment:		
At cost	246,904	262,825
Accumulated depreciation	(171,262)	(174,701)
Accumulated impairment losses	-	-
Total Plant and Equipment	75,642	88,124
MEMBERSHIP DATABASE		
Membership Database		
At cost	1,993,364	600,505
Accumulated depreciation	(740,795)	(143,264)
Total Membership Database	1,252,569	457,241
COMMUNCIATIONS EQUIPMENT		
Communciation Equipment		
At cost	239,279	239,279
Accumulated depreciation	(143,568)	(71,784)
Total Communications Equipment	95,711	167,495
Total land and buildings, plant and equipment, membership database & communications equipmen	1,423,922	712,860

(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 $	Membership Database $	Communication Equipment $	Total $
Balance at 1 January 2009	341,468	-	-	341,468
Additions	29,673	600,505	239,279	869,457
Disposals - written down value		-	-	-
Revaluation increments/(decrements)	-	-	-	-
Impairment losses	-	-	-	-
Depreciation expense	(68,378)	(143,264)	(71,784)	(283,426)
Capitalised borrowing cost and depreciation	(214,639)	-	-	(214,639)
Carrying amount at 31 December 2009	88,124	457,241	167,495	712,860
Additions	39,022	1,392,859	-	1,431,881
Disposals - written down value	-	-	-	-
Revaluation increments/(decrements)	-	-	-	-
Impairment losses	-	-	-	-
Depreciation expense	(51,504)	(597,531)	(71,784)	(720,819)
Capitalised borrowing cost and depreciation				-
Carrying amount at 31 December 201C	75,642	1,252,569	95,711	1,423,922

(b) Historical cost

Had land and buildings been stated at historical cost amounts they would be recognised as follows:

Cost	1,721,591	-
Accumulated depreciation	-	-
Net book value	1,721,591	-

Note 12 Trade and Other Payables

	Note	2010 $	2009 $
CURRENT			
Unsecured liabilities			
Unearned income - members' subscriptions paid in advance		1,181,649	1,091,978
Sundry payables and accrued expenses		157,848	163,141
Unsecured liabilities		265,833	168,091
	12(a)	1,605,330	1,423,210
NON-CURRENT			
Unsecured liabilities			
Trade payables		-	-
Sundry payables and accrued expenses		-	-
Unsecured loans		-	-
Annual leave		-	-
Amounts payable to:			
— ultimate parent company		-	-
— other related parties		-	-
	12(a)	-	-

(a) Financial liabilities at amortised cost classified as trade and other payables

	Note	2010	2009
Trade and other payables			
— Total Current		1,605,330	1,423,210
— Total Non-Current		-	-
		1,605,330	1,423,210
Less annual leave entitlements		-	-
Financial liabilities as trade and other payables	23	1,605,330	1,423,210

Note 14 Provisions

	2010 $	2009 $
CURRENT		
Short-term Employee Benefits		
Opening balance at 1 January 2010	2,046,970	1,830,911
Additional provisions raised during year	191,843	216,059
Amounts used	-	-
Balance at 31 December 2010	2,238,813	2,046,970
NON-CURRENT		
Long-term Employee Benefits		
Opening balance at 1 January 2010	-	-
Additional provisions raised during year	-	-
Amounts used	-	-
Balance at 31 December 2010	-	-

Analysis of Total Provisions	2010 $	2009 $
Current	2,238,813	2,046,970
Non-current	-	-
	2,238,813	2,046,970

Provision for Long-term Employee Benefits

A provision has been recognised for employee benefits relating to 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 15 Capital and Leasing Commitments

	Note	2010 $	2009 $
(a) 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		393,683	323,752
— between 12 months and five years		319,517	385,119
— greater than five years		-	-
		713,200	708,871
(b) Capital Expenditure Commitments			
Capital expenditure commitments contracted for:			
Purchase of 126-142 Trennery Crescent		14,954,386	-
Capital expenditure projects		-	
		14,954,386	-
Payable:			
— not later than 12 months		14,954,386	-
— between 12 months and five years		-	-
— greater than five years		-	-
		14,954,386	-

Note 16 Contingent Liabilities and Contingent Assets

	2010 $	2009 $
Estimates of the potential financial effect of contingent liabilities that may become payable:		
Contingent Liabilities		
Autopay arrangement	500,000	500,000

Note 17 Cash Flow Information

	2010 $	2009 $
(a) Reconciliation of cash flow from operations with profit after income tax		
Profit after income tax	(756,529)	(569,682)
Non-cash flows in profit		
— depreciation	720,819	283,426
— bad and doubtful debts		
— impairment of non-current investments		
— impairment of property, plant and equipment		
— net (gain)/loss on disposal of property, plant and equipment	-	(226)
— revaluation of property, plant and equipment		
— net (gain)/loss on disposal of investments	-	-
— share of associated company's net profit after dividends		
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
— (increase)/decrease in trade and term debtors	(25,212)	568,461
— (increase)/decrease in other assets	(126,826)	(46,569)
— increase/(decrease) in payables	182,120	(15,697)
— increase/(decrease) in provisions	191,844	216,059
Net cash provided by operating activities	186,216	435,772

(b) Credit standby arrangement and loan facilities
The entity has a bank overdraft and commercial bill facility amounting to nil

Note 18 Events After the Reporting Period

(a) No known matters or circumstances have arisen since the end of the financial year which significantly affect the branch's operations, results of those operations or the state of affairs of the branch in subsequent financial years.

(b) The financial report was authorised for issue on XX XX 2011 by Council

Note 19 Information to be provided to Members or General Manager

In accordance with requirements of the Fair Work (Registered Organisations) Act 2009, 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 the General Manager, 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: This subsection is a civil penalty provision (see section 305).

Fair Work (Registered Organisations) Act 2009

Note 20 Officers Remuneration

In accordance with the Reporting Guidelines made under the Fair Work (Registered Organisations) Act 2009 employee benefits to holders of office of the reporting unit for the year ended 31 December 2009 was $1,671,779.

In accordance with the Reporting Guidelines made under the Fair Work (Registered Organisations) Act 2009 employee benefits to employees (other than holders of office) of the reporting unit for the year ended 31 December 2009 was $6,503,545.

Note 21 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. On 8th July 2006 Branch Conference extended the levy indefinitely, and increased the levy to $25.00 per annum for members employed 0.6 and above and $12.50 for members employed 0.5 or below.

	2010 $	2009 $
Opening Balance	1,406,275	656,764
Add funds collected from levy	858,144	889,818
Add donation and interest income	86,302	38,306
	944,446	928,124
Total funds available	2,350,721	1,584,888
Less amounts paid for Public Education purposes	-1,290,544	-178,613
Funds available for Public Education campaign purposes as at 31 December	1,060,177	1,406,275
Public Education bank account at year end	998,905	1,361,544
Add amounts under/(over) remitted to Public Education account by AEU Vic Branch	61,272	44,731
	1,060,177	1,406,275
<u>Source of funds</u>		
Excess of income over campaign spending	-	749,511
Reduction in bank account	362,639	-
Increase in amount owing by Public Education Campaign to AEU Vic Branch	-	-
Reduction in amount owing by AEU Vic Branch to Public Education Campaign	-	77,398
	362,639	826,909
<u>Application of funds</u>		
Excess of campaign spending over income	346,098	-
Reduction of amount owing by Public Education Campaign to AEU Vic Branch	-	-
Increase in amount owed by AEU Vic Branch	16,541	-
Increase in bank account	-	826,909
	362,639	826,909

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.

	2010 $	2,009 $
Opening Balance	26,237	25,341
Add donation and interest income	622	896
Total funds available	26,859	26,237
Less amounts paid for Certified Agreement Levy purposes	-	-
Funds available for Certified Agreement Levy purposes as at 31 December	26,859	26,237
Certified Agreement Levy bank account at year end	26859	26237
Add amounts under/(over) remitted to Certified Agreement Levy account by AEU Vic Branch	-	-
	26,859	26,237

Source of funds		
Reduction in amount owing by AEU Vic Branch/Increase in amount owed to AEU Vic Branch	-	-
Donation and interest income	622	896
	622	896
Application of funds		
Increase in bank account	622	896
Reduction in amount owed to AEU Vic Branch/Increase in amount owed by AEU Vic Branch	-	-
	622	896

Note 22 Related Party Transactions

Company's main related parties are as follows:

(a) **Key Management Personnel:**
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any executive (whether executive or otherwise) of that entity is considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 4: Key Management Personnel Compensation.

(b) **Entities subject to significant influence by the company:**
An entity which has the power to participate in the financial and operating policy decisions of an entity, but not control over those policies is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

TFV Property Pty Ltd is an entity over which the entity exercises significant influence by holding 100% voting power in proportion to ownership of TFV Property Pty Ltd's listed shares.

(c) **Other related parties**
Other related parties include immediate family members of Key Management Personnel; entities that are controlled or significantly influenced by those Key Management Personnel individually or collectively with their immediate family members.

(d) **Transactions with related parties:**
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

There were no transactions with related parties.

Note 23 Financial Risk Management

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

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2010 $	2009 $
Financial Assets			
Cash and cash equivalents	6	2,697,244	5,397,528
Loans and receivables	7(b)	-	-
Available-for-sale financial assets:			
— at fair value			
— listed investments	10(a)	-	-
— unlisted investments	10(a)	-	-
		-	-
Total Financial Assets		2,697,244	5,397,528
Financial Liabilities			
Financial liabilities at amortised cost			
— Trade and other payables	12(a)	1,567,830	1,423,210
— Borrowings		-	-
Total Financial Liabilities		1,567,830	1,423,210

Financial Risk Management Policies

The entity's overall risk management strategy seeks to assist the entity in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by Branch Council on a regular basis. These include the credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

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

(a) **Credit risk**
Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the entity.
Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness and includes the utilisation of systems for the approval, granting and renewal of credit limits, the regular monitoring of exposures against such limits and the monitoring of the financial stability of significant customers and counterparties. Such monitoring is used in assessing receivables for impairment.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that branch council has otherwise cleared as being financially sound. Where the entity is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, the risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position. Credit risk also arises through the provision of financial guarantees, as approved at Board level, given to third parties in relation to obligations under its bank bill facility (refer Note 13 for details).

Collateral held by the company securing receivables is detailed in Note 7.

The entity has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of Trade and Other Receivables is provided in Note 7.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 7.

Credit risk related to balances with banks and other financial institutions is managed by the finance committee in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

	Note		2010 $		2009 $
Cash and cash equivalents					
— AA Rated			2,697,244		5,397,528
— A Rated					
	6	-	2,697,244	-	5,397,528

(b) Liquidity risk

Liquidity risk arises from the possibility that the entity might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The entity manages this risk through the following mechanisms:

— preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
— using derivatives that are only traded in highly liquid markets;
— monitoring undrawn credit facilities;
— obtaining funding from a variety of sources;
— maintaining a reputable credit profile;
— managing credit risk related to financial assets;
— only investing surplus cash with major financial institutions; and
— comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities. Bank overdrafts have been deducted in the analysis as management does not consider that there is any material risk that the bank will terminate such facilities. The bank does however maintain the right to terminate the facilities without notice and therefore the balances of overdrafts outstanding at year end could become repayable within 12 months. Financial guarantee liabilities are treated as payable on demand since the company has no control over the timing of any potential settlement of the liability.

Cash flows realised from financial assets reflect branch council's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will be rolled forward.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 years		Over 5 years		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Financial liabilities due for payment	$	$	$	$	$	$	$	$
Bank overdrafts and loans							-	-
Bank bills							-	-
Trade and other payables (excluding est. annual leave)	1,567,830	1,423,210					1,567,830	1,423,210
Amounts payable to related parties							-	-
Finance lease liabilities							-	-
Financial guarantees							-	-
Total contractual outflows	1,567,830	1,423,210	-	-	-	-	1,567,830	1,423,210
less bank overdrafts							-	-
Total expected outflows	1,567,830	1,423,210	-	-	-	-	1,567,830	1,423,210
Financial assets — cash flows realisable								
Cash and cash equivalents	2,697,244	5,397,528					2,697,244	5,397,528
Trade, term and loans receivables	407,191	381,979					407,191	381,979
Other investments	394,011	267,185					394,011	267,185
Total anticipated inflows	3,498,446	6,046,692	-	-	-	-	3,498,446	6,046,692
Net (outflow) / inflow on financial instruments	1,930,616	4,623,482	-	-	-	-	1,930,616	4,623,482

Financial assets pledged as collateral

Certain financial assets have been pledged as security for debt and their realisation into cash may be restricted subject to terms and conditions attached to the relevant debt contracts.

c. Market Risk

i. *Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The company is also exposed to earnings volatility on floating rate

The net effective variable interest rate borrowings (i.e. unhedged debt) exposes the entity to interest rate risk which will impact future cash flows and interest charges and is indicated by the following floating interest rate financial liabilities:

Floating rate instruments	Note	2010 $	2009 $
Bank overdrafts		-	-
		-	-

ii. *Price risk*

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held.

Such risk is managed through diversification of investments across industries and geographic locations.

The entity's investments are held in the following sectors at the end of the reporting period:

	2010	**2009**
Banking and finance	0%	0%
Telecommunications	0%	0%
Materials	0%	0%
Consumer - Staples	0%	0%
Healthcare	0%	0%
	0%	0%

Sensitivity analysis

The following table illustrates sensitivities to the company's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

Year ended 31 December 2010	Profit $	Equity $
+/- 2% in interest rates	55,613	55,613
+/- 2% in listed investments	-	-

Year ended 31 December 2009	Profit $	Equity $
+/- 2% in interest rates	76,901	76,901
+/- 2% in listed investments	-	-

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the company. Most of these instruments which are carried at amortised cost (i.e. trade receivables, loan liabilities) are to be held until maturity and therefore the net fair value figures calculated bear little relevance to the company.

	Footnote	2010 Net Carrying Value $	2010 Net Fair Value $	2009 Net Carrying Value $	2009 Net Fair Value $
Financial assets					
Cash and cash equivalents	(i)	2,697,244		5,397,528	
Trade and other receivables	(i)	407,191		381,979	
Loans and advances - related parties	(ii)				
		3,104,435	-	5,779,507	-
Available-for-sale financial assets:					
— at fair value					
— listed investments		-		-	
— unlisted investments		-		-	
Total available-for-sale financial assets	(iii)	-	-	-	-
Total financial assets		3,104,435	-	5,779,507	-
Financial liabilities					
Trade and other payables	(i)	1,605,330		1,423,210	
Bank bills	(iv)	-		-	
Lease liability	(v)	-		-	
Bank debt	(v)	-		-	
Total financial liabilities		1,605,330	-	1,423,210	-

The fair values disclosed in the above table have been determined based on the following methodologies:

(i) Cash and cash equivalents, trade and other receivables and trade and other payables are short term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables excludes amounts provided for relating to annual leave which is not considered a financial instrument.
(ii) Discounted cash flow models are used to determine the fair values of loans and advances. Discount rates used on the calculations are based on interest rates existing at the end of the reporting period for similar types of loans and advances. Differences between fair values and carrying values largely represent movements the effective interest rate determined on initial recognition and current market rates.
(iii) For listed available-for-sale and held-for-trading financial assets, closing quoted bid prices at the end of the reporting period are used. In determining the fair values of the unlisted available-for-sale financial assets, the directors have used inputs that are observable either directly (as prices) or indirectly (derived from
(iv) Discounted cash flow models are used that incorporate a yield curve appropriate to the remaining maturity of the debenture, bill or promissory note.
(v) Fair values are determined using a discounted cash flow model incorporating current commercial borrowing rates. The fair value of fixed rate bank debt will differ to carrying values.

Financial Instruments Measured at Fair Value

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:
— quoted prices in active markets for identical assets or liabilities (Level 1);
— inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
— inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

2010	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets:	**$**	**$**	**$**	**$**
Available-for-sale financial assets:				
— listed investments				-
— unlisted investments				-
	-	-	-	-

2009	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets:	**$**	**$**	**$**	**$**
Available-for-sale financial assets:				
— listed investments				-
— unlisted investments				-
	-	-	-	-

Included within Level 1 of the hierarchy are listed investments. The fair value of these financial assets has been based on the closing quoted bid prices at the end of the reporting period, excluding transaction costs.

In valuing unlisted investments, included in Level 2 of the hierarchy, valuation techniques such as comparison to similar investments for which market observable prices are available have been adopted to determine the fair value of these investments.

Note 24 Reserves

a. **Revaluation Surplus**
The revaluation surplus records revaluations of non-current assets. Under certain circumstances dividends can be declared from this surplus.

b. **Financial Assets Reserve**
The financial assets reserve records revaluation of financial assets.

c. **General Reserve**
The general reserve records funds set aside for future expansion of the entity.

Note 25 Detailed Income and Expenditure Statement

	Note	2010 $	2009 $
INCOME			
Certified Agreement Levy	21	622	896
Interest		170,056	247,274
Membership Subscriptions		17,638,074	16,026,621
Other Income		49,222	68,366
Profit/(Loss) on Sale of Furniture & Equipment		-	226
Work Partners Rebates		37,682	10,017
Donations - Vic Bushfire		-	41,890
Public Education Campaign levy	21	944,446	928,124
Total Income		18,840,102	17,323,414
EXPENSES			
Affiliation Fees - Australian Education Union		1,838,548	1,633,475
Campaigns			
Certified Agreement Levy	21	-	-
Other Campaigns		189,284	181,395
Public Education Campaign Levy	21	1,290,544	178,613
Communications : Telephone, Fax & Internet		181,992	214,179
Conferences			
Annual Conference		5,097	18,566
Other Conferences & Forums		90,841	71,376
Donations		17,150	19,090
Equipment			
Furniture, Computer & Equipment Sundry Items		48,648	53,593
Depreciation		720,819	283,426
Lease & Rental Costs		84,410	81,067
Maintenance Of Computers & Equipment		26,385	122,950
Functions and Farewells		6,684	11,303
Legal Expenses		959,889	830,557
Library/Information Services		23,491	18,963
Membership Services		2,495,221	3,265,242
Motor Vehicle Fleet Costs		714,097	673,041
Miscellaneous		7,511	4,739
Office Expenses			
Audit		23,350	21,300
Bad Debts Written Off		7	-
Bank Charges		-	665
Office Requisites & Paper		62,364	55,351
Postage		100,424	76,253
Subscription Collection Costs		145,239	120,419
Publications		475,370	509,691
Regional Offices : Rent, Rates, Telephone, etc		178,293	181,570
Rent and Outgoings : Trenerry Crescent		385,037	345,521
Salaries			
Annual Leave		116,983	98,021
Fringe Benefits Tax		42,097	38,378
Insurance		68,072	61,054
Leadership & Others		6,963,682	6,476,319
Long Service Leave		131,406	264,599
Other Salary Costs		114,344	94,960
Payroll Tax		443,428	331,527
Sick Leave		-	-
Staff Benefits Reserve		-	-
Superannuation		1,127,946	1,044,815
Training		74,516	66,339
Teams		13,390	10,651
Workcover		66,984	78,898
Structures		298,406	291,241
Travel Expenses		64,682	63,949
Total Expenses		19,596,631	17,893,096
Operating Surplus/(Loss)		(756,529)	(569,682)
Impairment of financial assets		-	-
SURPLUS/(LOSS) FOR THE YEAR		(756,529)	(569,682)

Note 26 Company Details

The registered office of the entity is:
Australian Education Union Victorian Branch
112 Trenerry Crescent
ABBOTSFORD VIC 3067

The principal place of business is:
Australian Education Union Victorian Branch
112 Trenerry Crescent
ABBOTSFORD VIC 3067

CHARMAN PARTNERS

Accountants & Advisors

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
ABN 44 673 398 674

AUDIT REPORT TO THE MEMBERS OF
AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

We have audited the financial report of the Australian Education Union Victorian Branch for the financial year ended 31 December 2010. 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.

Committee of Management's and Branch Secretary's Responsibility for the Financial Report

The committee of management and branch secretary of the Australian Education Union Victorian Branch are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the Fair Work (Registered Organisations) Act 2009.

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

Audit Opinion

In our opinion, the general purpose financial report of Australian Education Union Victorian Branch is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

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 : 17th May 2011