3 July 2014

Ms Gillian Robertson
Secretary
Australian Education Union - Victorian Branch
gillian.robertson@aeuvic.asn.au

FairWork Commission

Dear Ms Robertson,

Australian Education Union-Victorian Branch
Financial Report for the year ended 31 December 2013 - [FR2013/489]

I acknowledge receipt of the financial report of the Australian Education Union-Victorian Branch. The documents were lodged with the Fair Work Commission on 17 June 2014.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 31 December 2014 will be subject to an advanced compliance review.

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. The Fair Work Commission will confirm these concerns have been addressed prior to filing next year's report.

Disclosure of capitation fees to another reporting unit and payments to other reporting units

Reporting Guideline 17(b) requires that where capitation fees to another reporting unit are paid, the amount and the name of each reporting unit are to be disclosed in either the Statement of Comprehensive Income or the notes. Also, Reporting Guideline 25 requires that where another reporting unit of the organisation is the source of a cash inflow or the application of cash outflow, such cash flow should be separately disclosed and that the name of the other reporting unit be shown in the notes.

In order to satisfy item 17(c) of the Reporting Guidelines, separate disclosure of affiliation fees paid to political parties and industrial bodies need to be made including the amount the name of each entity and the amount(s) paid.

The report contains the capitation to the national office within the Affiliation fees of the branch. As discussed above, these items must be separately disclosed. It is also noted that the payment to the national office is not disclosed in the Cashflow statement or notes as per Reporting Guideline 25.

Disclosure of employee expenses/provisions for office holders and other employees

The Reporting Guidelines require reporting units to disclose in the Statement of Comprehensive Income or in the notes to the financial statements employee expenses to holders of office (item 17(f)) and employee expenses to other employees (item 17(g)).

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Melbourne VIC 3001

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I note that the Statement of Comprehensive Income and the notes provides for does annual leave, sick leave, long service leave, superannuation and other costs but does not distinguish between employee expenses for office holders and other employees. Employee expenses for office holders and other employees should be separately disclosed. At note 23 two figures are provided which are presumably the accumulated figures for holders of office and employees (other than holders of office) however these figures need to be broken down into ‘wages and salaries’, ‘superannuation’, ‘leave and other entitlements’, ‘separation and redundancies’ and ‘other employee expenses’ as per reporting guideline 17(f). Should any of these items not be relevant for either or both categories a note to this effect must appear in the report (see item 18).

The Reporting Guidelines also require either the Statement of Financial Position or the notes to disclose any liability for employee benefits in respect of office holders and other employees (item 21(c) and 21 (d)). Note 16 discloses these liabilities in current and non-current categories but does not distinguish between provisions for office holders and other employees. Additionally the reporting guidelines require that this information is broken down by ‘annual leave’, ‘long service leave’, ‘separation and redundancies’ and ‘other employee provisions’. Note 16 does not seem to comply with the reporting guidelines. Should any of these items not be relevant for either or both categories a note to this effect must appear in the report (see item 22).

Materiality

Australian Accounting Standard AASB 101 Presentation of Financial Statements paragraph 97 requires material items to be presented separately. Note 28 to the financial statements reports $7,905,054 as ‘Leadership & Others’ expenses, which is a material amount. This item is required to be further divided to ensure that any material items within expenses are separately disclosed.

New Reporting Guidelines

A fourth edition of the General Manager’s s.253 Reporting Guidelines was gazetted on 13 June 2014. These guidelines will apply to all financial reports that end on or after 30 June 2014. A model set of financial statements for the 2013-2014 financial year is also available on the Fair Work Commission website. The Fair Work Commission recommends reporting units use this model as it will assist in ensuring compliance with the Fair Work (Registered Organisations) Act 2009, the s.253 Reporting Guidelines and the Australian Accounting Standards.

The Reporting Guidelines and Model Financial Statements are available on the website here:
https://www.fwc.gov.au/registered-organisations/compliance-governance/financial-reporting

If you have any queries regarding this letter, please contact me on (03) 8661 7974 or via email at catherine.bebbington@fwc.gov.au.

Yours sincerely

CATHERINE BEBBINGTON
Regulatory Compliance Branch

FAIR WORK COMMISSION
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Victorian Branch
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Certificate of Secretary or other Authorised Officer

(s268 of Fair Work (Registered Organisations) Act 2009)

I Gillian Robertson 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 Fair Work (Registered Organisations) Act 2009; and
* that the full report was provided to members on 29 May 2014; 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 13 June 2014; in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

Signature: ______________________
(Branch Secretary)

Date: 13/06/2014

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITIES

ABN: 44 673 398 674

Financial Report For The Year Ended 31 December 2013

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITIES

ABN: 44 673 398 674

Financial Report For The Year Ended 31 December 2013

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OPERATING REPORT FOR THE 2013 FINANCIAL YEAR
AEU VICTORIAN BRANCH

Principal Activities

The schools sector continued their involvement in the campaign to secure changes to the federal funding formula for Australian schools. The campaign's aim is 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 totally ignores issues of need and equity.

The schools sector was also involved in a major campaign which secured a new industrial agreement for all members in public schools – education support, teachers and principals. The campaign saw members taking further industrial action in unprecedented numbers, culminating in a stop work meeting with 15,000 members present. The outcome of the campaign finally delivered an agreement in May.

The implementation of Universal Access' 15 hour preschool programs continued to provide a focus of the work of the sector with the ongoing need to support members with implementation of new ways of working within the new models, new roles and structural arrangements. Negotiations for the two major enterprise agreements which will cover or provide benchmarks for terms and conditions for the bulk of the early childhood sector has been the major focus of our work. Beyond the extensive negotiations, this has included undertaking surveys with our members on the key issues of workload and overtime. Negotiation of EBAs for a number of local government authorities and early intervention agencies standing outside the broader sector agreements also required our attention. Pursuit of early childhood teacher registration continued. Growing membership and building links across the membership and with potential members has been a significant part of the sectors work; connecting with them through specific networks such as that for the Preschool Field Officers and teachers in long day care settings, and most notably, through the Teachers Victoria Facebook group.

The AEU continued to campaign vigorously during 2013 to keep the community aware of the government's attacks on TAFE and to build broad based community support for the TAFE4ALL campaign. The relentless attacks on the Victorian TAFE system by the State coalition government continued throughout 2013 and drove the union work of the TAFE sector. The slashing of $300 million per year from TAFE recurrent budgets saw more than 2,500 TAFE teachers lose their jobs from June 2012 to December 2013. Courses have been cut, campuses have been closed and students have been faced with massive fee hikes. The TAFE4ALL campaign will continue especially focusing on the State election in November 2014.

The majority of AEU's work in the disability sector during 2013 revolved around ensuring that members in disability day services are paid no less than the minimum wage rates delivered by the equal remuneration case. In the first half of the calendar year we undertook an extensive training exercise directed to employees and managers in this sector in which the complex transitional wages were discussed with about 200 participants. Some of the costs of this work were covered by funding from the Commonwealth Government. In addition each employer in the sector has been approached twice and provided with AEU pay calculations, and ongoing discussions with the major employer organisation have achieved an agreed set of pay rates for the sector. There was only limited enterprise bargaining in the sector largely because of ongoing funding difficulties for employers in both the State and Commonwealth funded elements of the disability sector including growing concern about the adequacy of funding for the National Disability Scheme.

During 2013 the AEU staff and representatives developed a log of bargaining proposals in preparation for enterprise bargaining with AMES. The final payment under the previous agreement was paid in April 2013. Current concerns with issues such as the calculation of teachers' commencement salaries under the previous agreement are addressed in the claims. Continuing concerns include workload issues, consultation on change, and the employer's introduction of programmed extra teaching duty hours above the maximum teaching hours provided in the AMES agreement.

The following significant submissions were lodged during the year.

March 2013 - AEU submission to the Victorian Parliament

Submission to the Inquiry into the extent, benefits and potential of music education in Victorian schools

The AEU concludes that access to quality music education in Victoria has been hampered by a lack of resources for schools, an increasing focus on high-stakes literacy and numeracy testing and a shortage of qualified teachers.

March 2013 – AEU submission to the Victorian Government

State Budget Submission 2013

The AEU's annual budget submission condemns the State Government for falling short of its primary obligation to adequately fund public education and urges it to reverse its cuts to schools and TAFE and invest in preschool education to fulfil its commitment to the national early childhood agenda.

June 2013 - AEU submission to the Victorian Competition and Efficiency Commission (VCEC)

Response to the Victorian Competition and Efficiency Commission's draft report, "Making the Grade: Autonomy and Accountability in Victorian Schools".

June 2013 - AEU submission to the Victorian Curriculum and Assessment Authority (VCAA)

Response to the VCAA Discussion Paper: "Strengthening pathways in senior secondary qualifications"

Recruitment

In the reporting period **January 1** to **December 31** 2013 membership declined by **1916.**

Financial Affairs

The union continues to prosper with a more efficient management of the organisation.

During 2013 we held approximately **$8.9 million** in cash or short term deposits.

In 2013 the consolidated operating surplus from ordinary activities is **$3,741,188** compared to a deficit of **$1,036,437** reported in 2012. On the income side, membership subscriptions, including PEC levies, increased by over **$2.4** million. Interest received increased by about **$27k**.

On the expense side, legal costs decreased by $60k. Depreciation has been reduced by over $350k as the substantial investment on the membership data base system and communication equipment enters the third year of its depreciation cycle. Salaries and related costs increased in line with required increases in both staff and Leadership agreements.

The major decrease in expenditure was recorded within Campaigns General and Public Education Campaign spending. These areas of spending decreased by $1.2 million predominantly due to the conclusion of campaigning around schools' EBA's.

Cuts to TAFE and the Gonski campaign at State and Federal levels remained as key expenditure areas over the reporting period.

The value of our consolidated buildings 112 & 126 Trenerry Crescent are recorded at $31.92M.

This figure is based upon a valuation from February 2012 by Charter Keck and Chambers. It is intended that we revalue both properties in 2014 now that the matter of tenancy of 126 Trenerry post October 2014 has been clarified.

The purchase of the building has been financed by bankmecu and the current rental income more than meets our interest payments on the loan.

In previous reports I have indicated that the AEU purchased the property at 126 Trenerry Crescent Abbotsford with a view to relocating to that building once the current lease had expired.

I am pleased to advise that, as our tenants have advised that they **do not** wish to take up the additional lease period available to them, we can now commence the long process that will enable this relocation to take place.

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
Angela Stringer

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

The following **members are directors of a company** that is a trustee of a superannuation entity or an exempt public sector superannuation scheme **both are directors** of VicSuper:

Barbra A Norris
Christine M Stewart

The criterion that makes the four eligible to stand for election to both bodies is that they are contributors to these superannuation schemes. Periodically, elections for Director Positions are conducted by the Victorian Electoral Commission and all contributors are eligible to nominate. Should it be required a ballot of all contributors decides the positions.

Prescribed Information

(a) We started the year with **52,914** members and ended with **50,998** members which represent a decrease of **1916** members in the reporting year.

The following figures indicate membership of the organisation on a Sector basis from
1 January 2013 to 31 December 2013:

Primary	**-2.07% or decline of 567 members**
Secondary	**-4.32% or decline of 842 members**
Early Childhood	**+2.21% or increase of 53 members**
TAP	**-14.15% or decline of 523 members**
TOTAL	**- 3.62% or decline of 1916 members**

(b) At 31/12/2013 the reporting unit employed 90 persons, which translates to 78.9658 equivalent full-time employees. Made up of 59 Full time, 31 Part time (EFT= 19.9658).

BRANCH COUNCIL MEMBERS 2013

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	Aulich, Seona Brookes, Gillian Burton, Tanya Halden, Andrea Warren, Athena	3	Angus, Cheryl Steane, Valerie Merkenich, Mary	7	Bacon-Hall, Lisa Evans, Bruna
SOUTH EAST 2 Outer Easter Yarra Valley Knox /Dandenong Ranges	4	Clarke, Brian Murphy, Brendan Greaves, Erin (resigned 6.2.13)	2	Fechner, Lucinda Luciano, Sabrina	9	Lyons, Maree Alhazaa, Zahra (from 24.6.13) Nightingale. Cara (from 24.6.13)
SOUTH EAST 3 Berwick/Pakenham/ Cranbourne/Wonthaggi South Eastern	4	Lylak, Nicole Sharp, Kathy	3	Crotty, Judith Glare, Dean Smith, Wayne	5	Patrick, Sue
SOUTH EAST 4 Longbeach/Moorabbin Frankston Peninsula	6	Davies, Lisa Farrelly, Rita Fitness, Annaka Haddow, Sally Santaera, Diana Richey, Zoe	4	Kumar, Andrew Patton, Felix (resigned 19.2.14) Dew, Daniel Quinn, Wendy	10	Avard, Helander (resigned 28.4.13) Rouse, Joanne
NORTH WEST 1 Diamond Valley Latrobe/Plenty Inner City	5	Atkinson, Athony Cohen, Daniel (resigned 25.2.14) Heeremans, Meagan McPherson, Hamish Ghiotti, Beth	4	Butler, Mick Simpson, David (resigned 9.12.13) Essex, Michael Parr, Sarah	7	Barber, Melissa Fitzgerald, Susan Willey, Stephanie
NORTH WEST 2 Inner West Werribee	4	Perera, Belinda Masiero, Antoinette Holley, Seir Taranto, Alesia	3	Lovelock, Chris O'Flaherty, Maureen Honan, Lucy	5	Grarock, Max Simovska, Amanda (from 24.6.13)
NORTH WEST 3 Broadmeadows Maribyrnong Sunbury Melton	5	O'Grady, Erin Perry, Pamela Pontikis, Mary-Anne Pope, Kevin Walker, Peter	4	Boyden, Rebecca Kolber, Jemina Trickey, Helen Quinn, Julie (resigned 1.1.14) David, Aaron (from 21.3.14)	7	Bourke, Nicole O'Dwyer, Dianne (resigned 2.2.14) Yeend, Stephanie Hingley, Cathy (from 24.6.13)
BARWON SOUTH WEST 1 Geelong	2	Augerinos, Andrew Jennings, Bronwyn	2	Wight, Philip Harris, Justin	2	McPhail, Sarah (from 21.3.14)
BARWON SOUTH WEST 2 Colac Hamilton/Portland Warrnambool	1	Down, Caitlin (resigned 5.3.14)	1	Withers, Alison	2	Davis, Gayle Harvey, Rebecca
CENTRAL HIGHLANDS WIMMERA 1 Ballarat	1	Farquhar, Reginald	1	Aitken Catherine (resigned 1.1.14)	2	Wain, Monica

CENTRAL HIGHLANDS WIMMERA 2 Stawell Horsham	1		1	Wilkinson, Graeme	1	
GIPPSLAND 1 West Gippsland South Gippsland	1	Hussey, Mick	1	Humphries, Jessie-Ann	2	Amos, Kristy (resigned 2.2.13)
GIPPSLAND 2 Latrobe Valley	1	Stringer, Angela	1	Jackson, Ross	1	
GIPPSLAND 3 Sale East Gippsland	1	Spiller, Susan (resigned 17.3.14)	1	Jeffs, Stephen	2	
GOULBURN NORTH EAST 1 Benalla Seymour	1	Renton, Jenny	1	Mackenzie, Rod	1	
GOULBURN NORTH EAST 2 Kyabram Shepparton	1		1	Muston, Robert	1	Heaps, Jennifer
GOULBURN NORTH EAST 3 Wodonga Wangaratta	1	Dews, Merrilyn	1	Stevenson, Anne	1	
LODDON CAMPASPE MALLEE 1 Bendigo-Maryborough Castlemaine	2	Reidy, Barbara Pata, Alistair	1	Morton, Euan (resigned 23.1.13) Dodgshun, Andrew (from 24.6.13)	2	
LODDON CAMPASPE MALLEE 2 Bendigo/Echuca Swan Hill	1	De Morton, Phillip	1	Peters, Courtney (resigned 12.2.14)	2	Kirby, Juineta
LODDON CAMPASPE MALLEE 3 Mildura	1	Bell, John	1	Hines, Anne	1	Hart, Sophie
ALLIED SUB-SECTOR	10	Clark, Fiona Dixon, Lyn (from 24.6.13) Eames, Anthony Foenander, Jan Ganosis, Sylvia Grady, Peter McKenzie, Pam (resigned 30.8.13) McPherson, Deb Slatter, Vivien Tenson, Katrina	5	Davis, Alison (resigned 8.4.13) Gray, Lauren Macardy, Rae Shell, Donna Toohey, Jacqueline		

TAFE SUB SECTOR	No. per workplace	Councillors
Ballarat University	1	Julie-Anne Noble
Bendigo Regional Institute of TAFE	2	Stacey Clark (resigned 1.1.14) Sue Kirby
Box Hill Institute of TAFE	3	Monique Boggia Michael Zangmeister (resigned 1.12.13) Peter Ryan (resigned 16.1.13) Denise Kafkalakis (from 24.6.13) (resigned 9.1.14)
GippsTAFE	1	Phil Smith
Chisholm Institute of TAFE	3	Peter Malone Peter Banfield (resigned 21.12.12)
ADVANCE TAFE (East Gippsland)	1	John Turnor
Gordon Institute of TAFE	3	Judith Moore Stephen North Sue Mandley
Goulburn Ovens Institute of TAFE	2	Barbara Van Leest Mark Mason (resigned 17.12.13)
Holmesglen Institute of TAFE	3	Joseph Cross (resigned 10.11.13)
Kangan/Batman Institute of TAFE	3	Damian Flynn Steve Bowden Alicia Stephenson (from 24.6.13 resigned 29.10.13)
Northern Melbourne Institute of TAFE	4	Yolanda Ingley Craig Jones Gerard Beaton Caitlin Crowley
RMIT - TAFE Division	4	Russell Ediis (resigned 1.1.14) Kirsty Gorter Mary Collins Ted Bown (from 24.6.13)
South West Institute of TAFE	1	Kevin Jones (resigned 2.12.13)
Sunraysia Institute of TAFE	1	
Swinburne Uni of Technology - TAFE Division	4	Frank Lawlor Ian Adams George Ulehla (resigned 28.1.13)
Victorian University of Technology - TAFE Div	4	Lyn Hannah (resigned 4.2.14) Elaine Gillespie Margarita Windisch Jason Gould (from 24.6.13)
William Angliss Institute of TAFE	1	Garry Blackburn

Wodonga Institute of TAFE	1	Ian Lack
DISABILITY SERVICES	7	Chris Lambie John Blaze (from 24.5.13)
AMES	2	Maggie Power

AEU VICTORIAN BRANCH
BRANCH COUNCIL 2013

Entitlement:	
All Primary Sector Councillors	58
All Secondary Sector Councillors	42
TAFE & Adult Provision Sector -	10
Early Childhood Sector -	5
Elected Leadership	12

TAFE & ADULT PROVISION SECTOR
Stacey Clark
Caitlin Crowley
Elaine Gillespie
Lyn Hannah
Craig Jones
Sue Kirby
Ian Lack
Chris Lambie
Phil Smith
Michael Zangmeister

EARLY CHILDHOOS SECTOR
Dianne O'Dwyer
Gayle Davis
Max Grarock
Cara Nightingale
Sue Patrick

Branch Officers
Meredith Peace, Gillian Robertson, Carolyn Clancy, James Rankin, Justin Mullaly, Erin Aulich, Marino D'Ortenzio, Briley Duncan, Martel Menz, Shayne Quinn, Greg Barclay, Jennifer Walsh

**AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH ABN: 44 673 398 674
AND CONTROLLED ENTITIES
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 2013 there have been no contraventions of:

(i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Name of Firm CHARMAN PARTNERS

Name of Partner Mark Barson

Date 6th May 2014

Address Suite 4, 10-12 Chapel Street

BLACKBURN VIC 3130

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH ABN: 44 673 398 674
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013

		Consolidated Group		Parent Entity	
		2013	2012	2013	2012
	Note	$	$	$	$
Revenue	2	24,946,786	23,673,539	24,326,090	21,840,977
Employee benefits expense		(10,769,819)	(10,447,009)	(10,769,819)	(10,447,009)
Occupancy expense		(740,048)	(941,902)	(740,048)	(941,902)
Administration expense		(7,696,493)	(9,390,134)	(7,696,493)	(9,166,634)
Rental expense		(191,379)	(163,039)	-	-
126 Trenerry Crescent Outgoings		(30,473)	(128,838)	(30,473)	(128,838)
Depreciation and amortisation expense		(812,873)	(1,164,544)	(812,313)	(1,164,176)
Impairment of property, plant and equipment	12	-	-	-	-
Revaluation of property, plant and equipment		-	-	-	-
Finance costs	3(a)	(846,737)	(1,028,855)	(846,737)	(1,028,855)
Other expenses		(7,198)	(7,336)	-	-
Profit before income tax		3,851,766	401,882	3,430,207	(1,036,437)
Tax (expense)/income	4(a)	(110,578)	(482,201)		-
Profit for the year		3,741,188	(80,319)	3,430,207	(1,036,437)
Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss:					
Loss on revaluation of land and buildings, net of tax		-	-	-	-
		-	-	-	-
Items that will be reclassified subsequently to profit or loss when specific conditions are met:					
Fair value gains on available-for-sale financial assets, net of tax		-	-	-	-
		-	-	-	-
Items that have been reclassified to profit or loss					
Reclassification of fair value gains on available-for-sale financial assets to profit or loss, net of tax		-	-	-	-
		-	-	-	-
Total other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		3,741,188	(80,319)	3,430,207	(1,036,437)
Profit attributable to:					
Members of the parent entity		3,741,188	(80,319)	3,430,207	(1,036,437)
		3,741,188	(80,319)	3,430,207	(1,036,437)
Total comprehensive income attributable to:					
Members of the parent entity		3,741,188	(80,319)	3,430,207	(1,036,437)
		3,741,188	(80,319)	3,430,207	(1,036,437)

The accompanying notes form part of these financial statements.

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH ABN: 44 673 398 674
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

		Consolidated Group		Parent Entity	
		2013	2012	2013	2012
	Note	$	$	$	$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	7	8,911,476	4,607,060	8,690,171	4,343,280
Trade and other receivables	8	824,241	887,710	800,246	885,749
Other assets	9	297,962	308,734	297,962	308,734
TOTAL CURRENT ASSETS		10,033,679	5,803,504	9,788,379	5,537,763
NON-CURRENT ASSETS					
Trade and other receivables	8	3,902	3,879	1,017,675	1,306,965
Financial assets	10	-	-	8,000,000	8,000,000
Property, plant and equipment	12	32,463,658	33,029,347	17,168,631	17,776,195
TOTAL NON-CURRENT ASSETS		32,467,560	33,033,226	26,186,306	27,083,160
TOTAL ASSETS		42,501,239	38,836,730	35,974,685	32,620,923
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	13	1,133,287	1,273,761	1,097,507	1,221,093
Borrowings	14	-	-	-	-
Current tax liabilities	15	23,505	16,218	-	-
Provisions	16	867,958	819,676	867,958	819,676
TOTAL CURRENT LIABILITIES		2,024,750	2,109,655	1,965,465	2,040,769
NON-CURRENT LIABILITIES					
Trade and other payables	13	38,720	38,720	-	-
Borrowings	14	17,902,593	17,976,855	17,902,593	17,976,855
Deferred tax liabilities	15	774,970	765,603	-	-
Provisions	16	1,407,869	1,334,748	1,407,869	1,334,748
TOTAL NON-CURRENT LIABILITIES		20,124,152	20,115,926	19,310,462	19,311,603
TOTAL LIABILITIES		22,148,902	22,225,581	21,275,927	21,352,372
NET ASSETS		20,352,337	16,611,149	14,698,758	11,268,551
EQUITY					
Retained earnings		20,352,337	16,611,149	14,698,758	11,268,551
TOTAL EQUITY		20,352,337	16,611,149	14,698,758	11,268,551

The accompanying notes form part of these financial statements.

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH ABN: 44 673 398 674
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2013

		Share Capital			Reserves		
		Ordinary	Partly paid ordinary shares	Retained Earnings (accumulated losses)	Revaluation Surplus	Financial Assets Reserve	Total
	Note	$	$	$	$	$	$
Consolidated Group							
Balance at 1 January 2012				16,691,468			16,691,468
Retrospective adjustment upon change in accounting policy	1x						-
Balance at 1 January 2012 (restated)		-	-	16,691,468	-	-	16,691,468
Comprehensive Income							
Profit for the year				(80,319)			(80,319)
Other comprehensive income for the year							-
Total comprehensive income for the year attributable to members of the parent entity		-	-	16,611,149	-	-	16,611,149
Transactions with owners, in their capacity as owners, and other transfers							
Total transactions with owners and other transfers		-	-	-	-	-	-
Balance at 31 December 2012		-	-	16,611,149	-	-	16,611,149
Balance at 1 January 2013		-	-	16,611,149	-	-	16,611,149
Comprehensive Income							
Profit for the year				3,741,188			3,741,188
Other comprehensive income for the year							-
Total comprehensive income for the year attributable to members of the parent entity		-	-	20,352,337	-	-	20,352,337
Transactions with owners, in their capacity as owners, and other transfers							
Total transactions with owners and other transfers		-	-	-	-	-	-
Balance at 31 December 2013		-	-	20,352,337	-	-	20,352,337
Parent Entity							
Balance at 1 January 2012				12,304,988			12,304,988
Retrospective adjustment upon change in accounting policy	1x						-
Balance at 1 January 2012		-	-	12,304,988	-	-	12,304,988
Comprehensive Income							
Profit attributable to members of parent entity				(1,036,437)			(1,036,437)
Other comprehensive income for the year							-
Total comprehensive income for the year attributable to members of the parent entity		-	-	11,268,551	-	-	11,268,551
Transactions with owners, in their capacity as owners and other transfers							
Total transactions with owners and other transfers		-	-	-	-	-	-
Balance at 31 December 2012		-	-	11,268,551	-	-	11,268,551
Balance at 1 January 2013		-	-	11,268,551	-	-	11,268,551
Comprehensive Income							
Profit for the year				3,430,207			3,430,207
Other comprehensive income for the year							-
Total comprehensive income for the year attributable to members of the parent entity		-	-	14,698,758	-	-	14,698,758
Transactions with owners, in their capacity as owners and other transfers							
Total transactions with owners and other transfers		-	-	-	-	-	-
Balance at 31 December 2013		-	-	14,698,758		-	14,698,758

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2013

		Consolidated Group		Parent Entity	
		2013	2012	2013	2012
	Note	$	$	$	$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		24,667,064	22,026,843	24,009,279	21,445,064
Interest received		177,459	149,481	176,519	148,516
Payments to suppliers and employees		(19,277,723)	(21,109,694)	(19,002,195)	(20,718,500)
Finance costs		(846,737)	(1,028,855)	(846,737)	(1,028,855)
Income tax (paid)/refunded		(93,924)	-	-	-
Net cash provided by/(used in) operating activities	19(a)	4,626,139	37,775	4,336,866	(153,775)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		-	-	-	-
Proceeds from sale of investments		-	-	-	-
Purchase of property, plant and equipment		(247,184)	(507,811)	(204,749)	(507,811)
Purchase of investments		-	-	-	-
Loan payments made to related parties		(631,022)	-	(631,022)	(893,009)
Loan repayments received from related parties		920,059	-	920,059	921,815
Net cash provided by/(used in) investing activities		41,853	(507,811)	84,288	(479,005)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings		410,687	-	-	-
Repayment of borrowings		(774,263)	(123,541)	(74,263)	(123,541)
Net cash provided by/(used in) financing activities		(363,576)	(123,541)	(74,263)	(123,541)
Net increase/(decrease) in cash held		4,304,416	(593,577)	4,346,891	(756,321)
Cash and cash equivalents at beginning of financial year		4,607,060	5,200,637	4,343,280	5,099,601
Cash and cash equivalents at end of financial year	7	8,911,476	4,607,060	8,690,171	4,343,280

The accompanying notes form part of these financial statements.

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These consolidated financial statements and notes represent Australian Education Union Victorian Branch and controlled entities ('Consolidated Group' or 'Group'), and the separate financial statements and notes of Australian Education Union Victorian Branch as an individual parent entity ('Parent Entity').

The financial statements were authorised for issue on [insert date] by the directors of the company.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board and the requirements imposed by the reporting guidelines of Section 255, Division 3, Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements except for cash flow information, 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

(a) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the Parent (Australian Education Union Victorian Branch) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the Parent controls. The Parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 11.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Inter-company transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses. There have been no business combinations affecting the Parent Entity or the Consolidated Group during the financial year.

Goodwill

Goodwill is carried at cost less any accumulated impairment losses. There is no goodwill recognised in the financial statements of the Parent Entity or Consolidated Group.

(b) 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.

The controlled entity, TFV Property Pty Ltd, is subject to income tax.

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside the profit and loss when the tax relates to items that are recognised outside the profit and loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the company in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

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(c) Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable accounting standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and where significant, are detailed in the respective note to the financial statements.

Property

Freehold land and buildings are carried 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 accumulated depreciation for buildings.

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 recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss.

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 and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(j) for details of impairment).

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 Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

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 consolidated group 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 recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(d) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset – but not the legal ownership – are transferred to entities in the consolidated group, 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 recognised as expenses on a straight-line basis over the lease term.

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

(e) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are recognised as expenses in profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method.*

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) 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 subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) Available-for-sale financial investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) Financial Liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

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Financial Guarantees

Where material, financial guarantees issued that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due are recognised as financial liabilities at fair value on initial recognition.

The fair value of financial guarantee contracts has been assessed using the probability weighted discounted cash flow approach. The probability has been based on:

— the likelihood of the guaranteed party defaulting during the next reporting period;

— the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and

— the maximum loss exposure if the guaranteed party were to default.

Financial guarantees are subsequently measured at the higher of the best estimate of the obligation in accordance with AASB 137: Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(f) Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

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

(g) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each group entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is directly recognised in other comprehensive income, otherwise the exchange difference is recognised in profit or loss.

Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

— Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date.
— Income and expenses are translated at average exchange rates for the period.
— Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position via other comprehensive income. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

(h) Employee Benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

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The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(i) Provisions

Provisions are recognised when the group 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.

(j) 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.

(k) 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 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.

(l) Trade and other receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(i) for further discussion on the determination of impairment losses.

(m) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Group that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(n) 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 profit or loss in the period in which they are incurred.

(o) 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 (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

(p) Comparative Figures

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

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement of items in the financial statements or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statement is presented.

(q) Use of the Work of Another Auditor

The financial statements of TFV Property Pty Ltd, which have been used to prepare the consolidated group financial statements, were audited by B.G.L. & Associates Pty Ltd.

(r) New and amended accounting policies adopted by the Group

Consolidated financial statements

The Group adopted the following Australian Accounting Standards, together with the relevant consequential amendments arising from related Amending Standards, from the mandatory application date of 1 January 2013.

- *AASB 10: Consolidated Financial Statements;*
- *AASB 12: Disclosure of Interests in Other Entities; and*
- *AASB 127: Separate Financial Statements.*

AASB 10 provides a revised definition of 'control' and may result in an entity having to consolidate an investee that was not previously consolidated and/or deconsolidate an investee that was consolidated under the previous Accounting Pronouncements.

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The Group has applied these Accounting Standards with retrospective effect in accordance with their transition requirements. The Group has:

- presented quantitative information of the comparative period reflecting the adoption of AASB 10; and
- with respect to any previously unconsolidated investee that is a business, measured the assets, liabilities and non-controlling interests as if the investee had been consolidated in accordance with the applicable version of AASB 3: Business Combinations from the date when the Group gained control of the investee. When the date that control was obtained was earlier than the beginning of the immediately preceding period, the Group recognises, as an adjustment to equity at the beginning of the comparative period, any difference between:
  - the amount of assets, liabilities and non-controlling interests recognised; and
  - the previous carrying amount of the Group's involvement with the investee.

The Group assessed its interests in other entities and concluded that its accounting for the arrangements under AASB 10 would not change from the Group's accounting for its interests in other entities under AASB 127. Accordingly, no new subsidiaries were required to be consolidated as a consequence of applying AASB 10. Nevertheless, AASB 12 requires enhanced disclosures regarding interests in subsidiaries, which are provided in Note 12.

Joint Arrangements
The Group adopted AASB 11: Joint Arrangements and AASB 128: Investments in Associates and Joint Ventures together with the relevant consequential amendments arising from the related Amending Standards from the mandatory application date of 1 January 2013.

AASB 11 replaces AASB 131: Interests in Joint Ventures. Refer to Note 1(l), which reflects the accounting requirements of AASB 11. Under the Group's previous policy (AASB 131), the legal structure of a joint venture determined an investor's accounting for the venture. AASB 11 also removes the option for joint operations to be accounted for using the proportionate consolidation method.

The Group has applied AASB 11 and the relevant consequential amendments arising from the related Amending Standards in accordance with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors and the specific transitional requirements in AASB 11.

Employee benefits
The Group adopted AASB 119: Employee Benefits (September 2011) and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) from the mandatory application date of 1 January 2013. The Group has applied these Standards retrospectively in accordance with AASB 108 and the transitional provisions of AASB 119 (September 2011).

For the purpose of measurement, AASB 119 (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. Previously, annual leave satisfied the definition of short-term employee benefits and therefore the leave liability was measured on an undiscounted basis at the amounts expected to be paid when the liability is settled. As the Group expects that most employees will use all of their annual leave entitlements in the same year in which they are earned or during the following 12 month period, obligations for annual leave entitlements will continue to be shown as short-term employee benefits.

Obligations for termination benefits are now recognised at the earlier of:

- the date when the entity can no longer withdraw an offer of termination benefits; and
- when the entity recognises costs for restructuring pursuant to AASB 137: Provisions, Contingent Liabilities and Contingent Assets and the costs include termination benefits.

Furthermore, obligations for termination benefits are now required to be accounted for in accordance with the requirements for post-employment benefits when the benefits are an enhancement to post-employment benefits. Otherwise, the benefits are to be accounted for in accordance with the requirements for short-term or long-term employee benefits, depending on whether they are expected to be settled wholly before 12 months after the end of the reporting period. Previously, the Group had recognised obligations for termination benefits only when it was demonstrably committed to a termination program, which would involve the Group having a detailed formal plan for the termination program without a realistic possibility of withdrawal. In addition, the Group had accounted for obligations for termination benefits in accordance with the requirements applicable to obligations for other long-term employee benefits.

As at 31 December 2013, the Group recognised no provisions for termination benefits (2012: nil). Accordingly, adoption of the changes to termination benefits in AASB 119 (September 2011) and AASB 2011-10 did not have a material impact on the amounts recognised in the Group's financial statements.

Fair Value Measurement
The Group has applied AASB 13: Fair Value Measurement and the relevant consequential amendments arising from the related Amending Standards prospectively from the mandatory application date of 1 January 2013 and in accordance with AASB 108 and the specific transitional requirements in AASB 13.

No material adjustments to the carrying amounts of any of the Group's assets or liabilities were required as a consequence of applying AASB 13. Nevertheless, AASB 13 requires enhanced disclosures regarding assets and liabilities that are measured at fair value and fair values disclosed in the Group's financial statements. These enhanced disclosures are provided in Note 26.

The disclosure requirements in AASB 13 need not be applied by the Group in the comparative information provided for periods before initial application of AASB 13 (that is, periods beginning before 1 January 2013). However, as some of the disclosures now required under AASB 13 were previously required under other Australian Accounting Standards, such as AASB 7: Financial Instruments: Disclosures, the Group has provided this previously provided information as comparatives in the current reporting period.

(s) Critical Accounting Estimates and Judgments

Branch Council evaluate 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 the Group.

Key estimates

(i) *Impairment – general*

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

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(ii) *Impairment – Carbon Price*

In November 2011, the Federal Parliament passed the Clean Energy Act 2011, which implements a carbon pricing mechanism from 1 July 2012. Under the mechanism, entities that produce over the threshold level of carbon emissions will be required to purchase permits to offset their carbon emissions.

The Group is not directly impacted by the carbon pricing mechanism because it does not control facilities that produce emissions greater than the threshold level. However, the Group will be indirectly impacted by the mechanism through increases in the prices it pays for energy and materials purchased from suppliers that are impacted by the introduction of the mechanism. The Group also anticipates that it will experience an increase in expenditures related to waste disposal under the carbon pricing mechanism, although any future increases in such costs are likely to be less significant than the anticipated increases in energy and material costs.

Management of the Group has considered whether the introduction of the carbon pricing mechanism is an impairment indicator and has determined that it is not expected to have a significant impact on the estimated net cash flows of the Group's operations or the recoverability of its assets, principally because the Group has the capacity to pass on any increases in production costs through its contracts with customers. Nevertheless, management has adjusted the discount rate it applies when determining the recoverable amount of an asset or cash-generating unit to reflect the uncertainty around price increases, particularly beyond the fixed price phase (2012–2015) of the carbon pricing mechanism.

Key judgments

(i) *Subsidiaries*

The Group assessed its interests in other entities and concluded that its accounting for the arrangements under AASB 10: Consolidated Financial Statements would not change from the Group's accounting for its interests in other entities under AASB 127: Consolidated and Separate Financial Statements. Other than its interest in TFV Property Pty Ltd, the Group holds no interests in other entities that would provide the Group with control over those entities.

(ii) *Joint Arrangements*

The Group assessed its interests in its joint arrangements and concluded that its accounting for the arrangements under AASB 11: Joint Arrangements would not change from the Group's accounting for the arrangements under AASB 131: Interests in Joint Ventures.

(iii) *Employee benefits*

For the purpose of measurement, AASB 119: Employee Benefits (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. As the Group expects that most employees will use all of their annual leave entitlements in the same year in which they are earned or during the following 12 month period, obligations for annual leave entitlements are classified under AASB 119 (September 2011) as short term employee benefits.

(t) New Accounting Standards for Application in Future Periods

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

— AASB 9: *Financial Instruments (December 2010)* and AASB 2010–7: *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).*

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The key 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;
- requiring financial assets 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; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

These Standards are mandatorily applicable for annual reporting periods commencing on or after 1 January 2015. Although the directors anticipate that the adoption of AASB 9 and AASB 2010–7 may have a significant impact on the Group's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

— *AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010–2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements (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.

In accordance with paragraph 8 of the Reporting Guidelines, all reporting units will aply the Tier 1 reporting requirements.

— AASB 2012–3: *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities* (applicable for annual reporting periods commencing on or after 1 January 2014).

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This Standard provides clarifying guidance relating to the offsetting of financial instruments, which is not expected to impact the Group's financial statements.

— Interpretation 21: Levies (applicable for annual reporting periods commencing on or after 1 January 2014).
Interpretation 21 clarifies the circumstances under which a liability to pay a levy imposed by a government should be recognised, and whether that liability should be recognised in full at a specific date or progressively over a period of time. This Interpretation is not expected to significantly impact the Group's financial statements.
— AASB 2013-3: Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets (applicable for annual reporting periods commencing on or after 1 January 2014).
This Standard amends the disclosure requirements in AASB 136: Impairment of Assets pertaining to the use of fair value in impairment assessment and is not expected to significantly impact the Group's financial statements.
— AASB 2013-4: Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting (applicable for annual reporting periods commencing on or after 1 January 2014).
AASB 2013-4 makes amendments to AASB 139: Financial Instruments: Recognition and Measurement to permit the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. This Standard is not expected to significantly impact the Group's financial statements.

— AASB 2013-5: Amendments to Australian Accounting Standards – Investment Entities (applicable for annual reporting periods commencing on or after 1 January 2014).
AASB 2013-5 amends AASB 10: Consolidated Financial Statements to define an 'investment entity' and requires, with limited exceptions, that the subsidiaries of such entities be accounted for at fair value through profit or loss in accordance with AASB 9 and not be consolidated. Additional disclosures are also required. As neither the parent nor its subsidiaries meet the definition of an investment entity, this Standard is not expected to significantly impact the Group's financial statements.

Note 2 Revenue and Other Income

	Note	Consolidated Group 2013 $	Consolidated Group 2012 $	Parent Entity 2013 $	Parent Entity 2012 $
— Interest received					
— other persons		177,459	149,481	176,519	148,516
Total interest revenue on financial assets not at fair value through profit or loss		177,459	149,481	176,519	148,516
— Membership subscriptions and levies		22,829,572	20,380,292	22,829,572	20,380,292
— Rental		1,907,882	1,860,795	1,288,126	1,279,925
— Revaluation of Building		-	1,250,727	-	-
— other revenues		31,873	32,244	31,873	32,244
Total other revenue		24,769,327	23,524,058	24,149,571	21,692,461
Total revenue		24,946,786	23,673,539	24,326,090	21,840,977

Note 3 Profit before Income Tax

	Consolidated Group 2013 $	Consolidated Group 2012 $	Parent Entity 2013 $	Parent Entity 2012 $
Profit before income tax from continuing operations includes the following specific expenses:				
(a) Expenses				
Affiliation fees	2,356,664	2,124,629	2,356,664	2,124,629
Interest expense on financial liabilities not at fair value through profit or loss				
— external	846,737	1,028,855	846,737	1,028,855
Total finance costs	846,737	1,028,855	846,737	1,028,855
Employee benefits expense:				
— contributions to defined contribution superannuation funds	10,769,819	1,229,354	10,769,819	1,229,354
Other expenses:				
Rental expense on operating leases:				
— minimum lease payments	498,475	539,475	498,247	539,475
	498,475	539,475	498,247	539,475

Note 4 Tax Expense

	Note	Consolidated Group 2013 $	Consolidated Group 2012 $	Parent Entity 2013 $	Parent Entity 2012 $
(a) The components of tax (expense)/income comprise:					
Current tax		101,211	97,746		
Deferred tax	15	9,367	384,455		
		110,578	482,201	-	-

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(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:

Prima facie tax payable on profit from ordinary activities before income tax at 30% (2012: 30%)				
— consolidated group	126,468	431,496		
— parent entity	-	-		-
Add:				
Tax effect of:				
— non-deductible depreciation and amortisation	168	110	-	-
— other non-allowable items	-	(9,234)	-	-
	126,636	422,372	-	-
Less:				
Tax effect of:				
— special building allowance	12,395	12,395	-	-
— depreciation	3,663	4,062	-	-
— other items	-	(451,505)	-	-
— revaluation of property	-	375,219	-	-
Income tax attributable to entity	110,578	482,201	-	-
The applicable weighted average effective tax rates are as follows:	2.9%	33.5%	0.0%	0.0%

Note 5 Key Management Personnel Compensation

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

	2013	2012
	$	$
Short-term employee benefits	1,812,611	1,877,441
Post-employment benefits	-	-
Other long-term benefits	-	-
	1,812,611	1,877,441

Note 6 Auditors' Remuneration

	Consolidated Group		Parent Entity	
	2013	2012	2013	2012
	$	$	$	$
Remuneration of the auditor of the parent entity for:				
— auditing or reviewing the financial statements	35,850	34,409	35,850	34,409
Remuneration of other auditors of subsidiaries for:				
— auditing or reviewing the financial statements of subsidiaries	4,260	4,200	-	-
	40,110	38,609	35,850	34,409

Note 7 Cash and Cash Equivalents

		Consolidated Group		Parent Entity	
		2013	2012	2013	2012
CURRENT	Note	$	$	$	$
Cash at bank and on hand		1,328,371	1,500,770	1,107,066	1,236,990
Short-term bank deposits		7,583,105	3,106,290	7,583,105	3,106,290
		8,911,476	4,607,060	8,690,171	4,343,280

The effective interest rate on short-term bank deposits was 3.5% (2012: 4.8%); 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:

Cash and cash equivalents		8,911,476	4,607,060	8,690,171	4,343,280
Bank overdrafts	15	-	-	-	-
		8,911,476	4,607,060	8,690,171	4,343,280

A floating charge over cash and cash equivalents has been provided for certain debt. Refer to Note 14 for further detail.

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Note 8 Trade and Other Receivables

	Note	Consolidated Group 2013 $	Consolidated Group 2012 $	Parent Entity 2013 $	Parent Entity 2012 $
CURRENT					
Trade receivables		824,241	887,710	800,246	885,749
Provision for impairment	8(a)	-	-	-	-
		-	-	-	-
		824,241	887,710	800,246	885,749
Total current trade and other receivables	8(b)	824,241	887,710	800,246	885,749
NON-CURRENT					
Trade receivables		3,902	3,879	1,017,675	1,306,965
Provision for impairment	8(a)	-	-	-	-
Total non-current trade and other receivables		3,902	3,879	1,017,675	1,306,965

(a) Provision for impairment of receivables

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

	Opening Balance 1 January 2012 $	Charge for the Year $	Amounts Written Off $	Closing Balance 31 December 2012 $
Consolidated Group				
Current trade receivables				-
	-	-	-	-
Parent Entity				
Amounts receivable from wholly owned subsidiary				-
	-	-	-	-

	Opening Balance 1 January 2013 $	Charge for the Year $	Amounts Written Off $	Closing Balance 31 December 2013 $
Consolidated Group				
Current trade receivables	-			-
	-	-	-	-
Parent Entity				
Amounts receivable from wholly owned subsidiary	-			-
	-	-	-	-

Credit risk

The Group 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 8. The main source of credit risk to the Group is considered to relate to the class of assets described as 'trade and other receivables'.

The following table details the Group'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 Group 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 Group.

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

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Consolidated Group

2013	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							
Other receivables							
Total	-	-	-	-	-	-	-

2012	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	887,710	-	267,289	620,421	-	-	
Other receivables	3,879	-	3,879	-	-	-	
Total	891,589	-	271,168	620,421	-	-	-

Parent Entity

2013	Gross Amount	Past due and impaired	Past due but not impaired (days overdue) < 30	31–60	61–90	>90	Within initial trade terms
	$	$	$	$	$	$	$
Other receivables							
Total	-	-	-	-	-	-	-

2012	Gross Amount	Past due and impaired	Past due but not impaired (days overdue) < 30	31–60	61–90	>90	Within initial trade terms
	$	$	$	$	$	$	$
Other receivables	2,192,714	-	265,328	620,421	-	1,306,965	-
Total	2,192,714	-	265,328	620,421	-	1,306,965	-

(b) Financial Assets classified as loans and receivables

	Note	Consolidated Group 2013	Consolidated Group 2012	Parent Entity 2013	Parent Entity 2012
		$	$	$	$
Trade and other Receivables					
— Total Current		824,241	887,710	800,246	885,749
— Total Non-Current		3,902	3,879	1,017,675	1,306,965
		828,143	891,589	1,817,921	2,192,714
Total financial assets classified as loans and receivables	25	828,143	891,589	1,817,921	2,192,714

(c) Collateral pledged

No collateral is held over trade and other receivables.

Note 9 Other Assets

	Consolidated Group 2013	Consolidated Group 2012	Parent Entity 2013	Parent Entity 2012
	$	$	$	$
CURRENT				
Prepayments	297,962	308,734	297,962	308,734
	297,962	308,734	297,962	308,734
NON-CURRENT				
Prepayments	-	-	-	-
	-	-	-	-

Note 10 Financial Assets

	Note	Consolidated Group 2013	Consolidated Group 2012	Parent Entity 2013	Parent Entity 2012
		$	$	$	$
NON-CURRENT					
Other Investments	10(b), 26	-	-	8,000,000	8,000,000
Total Non-Current Assets		-	-	8,000,000	8,000,000

(a) Other Investments

	Consolidated Group 2013	Consolidated Group 2012	Parent Entity 2013	Parent Entity 2012
Shares in subsidiaries	-	-	8,000,000	8,000,000
	-	-	8,000,000	8,000,000

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Note 11 Interests in Subsidiaries

a. Information about Principal Subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's principal place of business is also its country of incorporation or registration.

		Ownership interest held by the Group		Proportion of non-controlling interests	
		2013	2012	2013	2012
Name of subsidiary	Principal place of business	(%)	(%)	(%)	(%)
TFV Property Pty Ltd	Australia	100%	100%	0%	0%

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

Note 12 Property, Plant and Equipment

	Consolidated Group		Parent Entity	
	2013	2012	2013	2012
	$	$	$	$
LAND AND BUILDINGS				
Freehold land and buildings at:				
— cost	16,645,118	16,645,118	16,645,118	16,645,118
— directors valuation	15,284,595	15,250,000	-	-
Total land and buildings	31,929,713	31,895,118	16,645,118	16,645,118
PLANT AND EQUIPMENT				
Plant and equipment:				
At cost	161,203	170,960	150,211	167,440
Accumulated depreciation	(100,179)	(101,709)	(99,619)	(101,341)
Accumulated impairment losses	-	-	-	-
	61,024	69,251	50,592	66,099
Membership Database				
At cost	3,547,673	3,954,664	3,547,673	3,954,664
Accumulated depreciation	(3,074,752)	(2,889,686)	(3,074,752)	(2,889,686)
	472,921	1,064,978	472,921	1,064,978
Communications Equipment				
At cost	-	239,279	-	239,279
Accumulated depreciation	-	(239,279)	-	(239,279)
	-	-	-	-
Investment Property				
Independent valuation	-	-	-	-
	-	-	-	-
Total plant and equipment	533,945	1,134,229	523,513	1,131,077
Total property, plant and equipment	32,463,658	33,029,347	17,168,631	17,776,195

(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

	Land & Buildings	Investment Property	Plant and Equipment	Membership Database	Communication Equipment	Total
	$	$	$	$	$	$
Consolidated Group:						
Balance at 1 January 2012	16,645,118	13,999,273	65,141	1,701,894	23,927	32,435,353
Additions			42,019	465,791		507,810
Disposals - written down value			(88,964)			(88,964)
Additions through acquisition of entity						-
Revaluation increments/(decrements)		1,250,727	88,964			1,339,691
Impairment losses						-
Depreciation expense			(37,909)	(1,102,707)	(23,927)	(1,164,543)
Capitalised borrowing cost and depreciation						-
Carrying amount at 31 December 2012	16,645,118	15,250,000	69,251	1,064,978	-	33,029,347
Additions			19,075	193,514		212,589
Disposals - written down value			(31,616)	(600,505)		(632,121)
Additions through acquisition of entity						-
Revaluation increments/(decrements)		34,595	31,616	600,505		666,716

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Impairment losses						-
Depreciation expense			(27,302)	(785,571)		(812,873)
Capitalised borrowing cost and depreciation						-
Carrying amount at 31 December 2013	16,645,118	15,284,595	61,024	472,921	-	32,463,658

	Consolidated Group		Parent Entity	
	2013	2012	2013	2012
	$	$	$	$
(b) Historical cost Had land and buildings been stated at historical cost amounts they would be recognised as follows:				
Cost	10,772,050	10,772,050	16,645,118	16,645,118
Accumulated depreciation	-	-	-	-
Net book value	10,772,050	10,772,050	16,645,118	16,645,118

(c) Impairment losses

The total impairment loss recognised in profit or loss during the period amounted to $Nil (2012: $Nil). The impairment loss is separately presented in the statement of profit or loss as impairment of property, plant and equipment.

(d) Asset revaluations

Buildings

The fair value of the buildings based on their fair value less cost to sell, based on an active market, was determined to be $31,895,118.

Note 13 Trade and Other Payables

		Consolidated Group		Parent Entity	
		2013	2012	2013	2012
	Note	$	$	$	$
CURRENT					
Unsecured liabilities					
Unearned income - members' subscriptions paid in		1,133,287	664,219	639,521	664,219
Sundry payables and accrued expenses		-	414,136	311,143	361,468
Unsecured liabilities		-	195,406	146,843	195,406
	13(a)	1,133,287	1,273,761	1,097,507	1,221,093
NON-CURRENT					
Unsecured liabilities					
Trade payables		38,720	38,720	-	-
Sundry payables and accrued expenses		-	-	-	-
	13(a)	38,720	38,720	-	-
(a) Financial liabilities at amortised cost classified as trade and other payables					
Trade and other payables					
— total current		1,133,287	1,273,761	1,097,507	1,221,093
— total non-current		38,720	38,720	-	-
		1,172,007	1,312,481	1,097,507	1,221,093
Less: other payables (net amount of GST payable)		-	-	-	-
Financial liabilities as trade and other payables	25	1,172,007	1,312,481	1,097,507	1,221,093

Note 14 Borrowings

		Consolidated Group		Parent Entity	
		2013	2012	2013	2012
	Note	$	$	$	$
CURRENT					
Bank loan secured	14(c)	-	-	-	-
Total current borrowings		-	-	-	-
NON-CURRENT					
Bank loan secured	14(c)	17,902,593	17,976,855	17,902,593	17,976,855
Total non-current borrowings		17,902,593	17,976,855	17,902,593	17,976,855
Total borrowings	26	17,902,593	17,976,855	17,902,593	17,976,855
(a) Total current and non-current secured liabilities:					
Bank loan		17,902,593	17,976,855	17,902,593	17,976,855
		17,902,593	17,976,855	17,902,593	17,976,855
(b) The carrying amounts of non-current assets pledged as security are:					
Freehold land and buildings	12		31,895,118	16,645,118	16,645,118
		-	31,895,118	16,645,118	16,645,118

(c) The bank debt is secured by a first registered mortgage over freehold properties owned by the controlled entity. Covenants imposed by the bank require total bank debt not to exceed 70% of the valuation of the properties.

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Note 15 Tax

	Consolidated Group 2013 $	Consolidated Group 2012 $	Parent Entity 2013 $	Parent Entity 2012 $
CURRENT				
Income tax payable	23,505	16,218	-	-
TOTAL	23,505	16,218	-	-

NON-CURRENT	Opening Balance	(Charged)/ Credited to Profit or Loss	(Charged)/ Credited Directly to Equity	Changes in Tax Rates	Exchange Differences	Closing Balance
Consolidated Group	$	$	$	$	$	$
Deferred tax liability						
Tax allowance on property, plant and equipment	381,148	384,455	-	-	-	765,603
Losses/(gains) on revaluation of land & buildings	-	-	-	-	-	-
Losses/(gains) on available-for-sale financial assets	-	-	-	-	-	-
Other	-	-	-	-	-	-
Balance at 31 December 2012	381,148	384,455	-	-	-	765,603
Tax allowance on property, plant and equipment	765,603	9,367				774,970
Losses/(gains) on revaluation of land & buildings	-					-
Losses/(gains) on available-for-sale financial assets	-					-
Other	-					-
Balance at 31 December 2013	765,603	9,367	-	-	-	774,970

Note 16 Provisions

Analysis of Provisions	Consolidated Group 2013 $	Consolidated Group 2012 $	Parent Entity 2013 $	Parent Entity 2012 $
CURRENT				
Employee Benefits				
Opening balance at 1 January 2013	819,676	953,910	819,676	953,910
Additional provisions raised during year	48,282	(134,234)	48,282	(134,234)
Amounts used	-	-	-	-
Balance at 31 December 2013	867,958	819,676	867,958	819,676
Total current provisions	867,958	819,676	867,958	819,676
NON-CURRENT				
Employee Benefits				
Opening balance at 1 January 2013	1,334,748	1,266,488	1,334,748	1,266,488
Additional provisions raised during year	73,121	68,260	73,121	68,260
Amounts used	-	-	-	-
Balance at 31 December 2013	1,407,869	1,334,748	1,407,869	1,334,748
Total non-current provisions	1,407,869	1,334,748	1,407,869	1,334,748

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience the Group does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. These amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

Note 17 Capital and Leasing Commitments

	Note	Consolidated Group 2013 $	Consolidated Group 2012 $	Parent Entity 2013 $	Parent Entity 2012 $
(a) Operating Lease Commitments					
Non-cancellable operating leases contracted for but not recognised in the financial statements					
Payable — minimum lease payments					
— not later than 12 months		322,208	340,644	322,208	340,644
— between 12 months and five years		250,805	206,630	250,805	206,630
— later than five years		-	-	-	-
		573,013	547,274	573,013	547,274

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(b) Capital Expenditure Commitments

There are no capital expenditure commitments contracted for.

Note 18 Contingent Liabilities and Contingent Assets

	Consolidated Group		Parent Entity	
	2013	2012	2013	2012
	$	$	$	$
Estimates of the potential financial effect of contingent liabilities that may become payable:				
Contingent Liabilities				
Autopay arrangement	500,000	500,000	500,000	500,000

Note 19 Cash Flow Information

	Consolidated Group		Parent Entity	
	2013	2012	2013	2012
	$	$	$	$
(a) Reconciliation of cash flow from operations with profit after income tax				
Profit after income tax	3,741,188	(80,319)	3,430,207	(1,036,437)
Non-cash flows in profit				
— depreciation	812,873	1,164,544	812,313	1,164,176
— impairment of non-current investments	-	(1,250,727)	-	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries				
— increase/(decrease) in trade and term debtors	63,469	(246,488)	85,503	(247,397)
— increase/(decrease) in other assets	10,772	63,492	10,772	(23,773)
— increase/(decrease) in payables	(140,220)	78,223	(123,332)	55,630
— increase/(decrease) in income taxes payable	7,287	(9,431)	-	-
— increase/(decrease) in deferred taxes payable	9,367	384,455	-	-
— increase/(decrease) in provisions	121,403	(65,974)	121,403	(65,974)
Net cash provided by operating activities	4,626,139	37,775	4,336,866	(153,775)

Note 20 Events After the Reporting Period

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.

Note 21 Related Party Transactions

The Group's main related parties are as follows:

(a) **Entities exercising control over the group:**

The ultimate parent entity, which exercises control over the group, is Australian Education Union Victorian Branch.

(b) **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 director (whether executive or otherwise) of that entity is considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 5: Key Management Personnel Compensation.

(c) **Other related parties**

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

(d) **Transactions with related parties:**

There are no transactions between related parties.

Note 22 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

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Note 23 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 2013 was $1,812,611.

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 2013 was $7,196,083.

Note 24 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 per annum for members employed 0.6 and above and $10 per annum for members employed 0.5 or below.

The levy applied for three years commencing on 3rd August 1997. On 5th August 2000, Branch Council decided to continue the levy in its present form until the end of the calendar year 2003. On 19 July 2003, Branch Conference estended the levy in its present form until the end of the calender 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.

	Consolidated Group		Parent Entity	
	2013	2012	2013	2012
	$	$	$	$
Opening Balance	1,625,533	1,809,220	1,625,533	1,809,220
Add funds collected from Levy	1,236,016	972,500	1,236,016	972,500
Add Donation and Interest Income	63,317	92,189	63,317	92,189
	1,299,333	1,064,689	1,299,333	1,064,689
Total Funds Available	2,924,866	2,873,909	2,924,866	2,873,909
Less amounts paid for Public Education Campaign purposes	(700,975)	(1,248,376)	(700,975)	(1,248,376)
Funds available for Public Education Campaign purposes as at 31 December 2013	2,223,891	1,625,533	2,223,891	1,625,533
Public Education Bank Account at year end	1,547,802	1,484,485	1,547,802	1,484,485
Add under remitted (over remitted) to Public Education Account by AEU	676,089	141,048	676,089	141,048
	2,223,891	1,625,533	2,223,891	1,625,533
Sources of Funds				
Reduction in Bank Account	-	156,382	-	156,382
Excess of income over campaign spending	598,358	-	598,358	-
Reduction in amount owing by AEU Vic Branch to Public Education	-	27,305	-	27,305
	598,358	183,687	598,358	183,687
Application of Funds				
Excess of Campaign spending over income	-	183,687	-	183,687
Increase in Bank Account	63,317	-	63,317	-
Increase in amount owed by AEUVB	535,041	-	535,041	-
	598,358	183,687	598,358	183,687

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 rule 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.

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	Consolidated Group		Parent Entity	
	2013	2012	2013	2012
	$	$	$	$
Opening Balance	30,131	28,485	30,131	28,485
Add Donation and Interest Income	1,278	1,646	1,278	1,646
Total Funds Available	31,409	30,131	31,409	30,131
Less amounts paid for Certified Agreement Levy purposes		-	-	-
Funds available for Certified Agreement Levy purposes as at 31 December 2013	31,409	30,131	31,409	30,131
Certified Agreement Levy Bank Account at year end	31,409	30,131	31,409	30,131
	31,409	30,131	31,409	30,131
Sources of Funds				
Donation and Interest Income	1,278	1,646	1,278	1,646
Application of Funds				
increase in bank account	1,278	1,646	1,278	1,646

Note 25 Financial Risk Management

The group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries, 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:

		Consolidated Group		Parent Entity	
		2013	2012	2013	2012
	Note	$	$	$	$
Financial Assets					
Cash and cash equivalents	7	8,911,476	4,607,060	8,690,171	4,343,280
Loans and receivables	8(b)	828,143	891,589	1,817,921	2,192,714
Total Financial Assets		9,739,619	5,498,649	10,508,092	6,535,994
Financial Liabilities					
Financial liabilities at amortised cost					
— Trade and other payables	13(a)	1,172,007	1,312,481	1,097,507	1,221,093
— Borrowings	14	17,902,593	17,976,855	17,902,593	17,976,855
Total Financial Liabilities		19,074,600	19,289,336	19,000,100	19,197,948

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk. There have been no substantive changes in the types of risks the company is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

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 Group.

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. Depending on the division within the Group, credit terms are generally [insert no.] to [insert no.] days from the date of invoice.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the finance committee has otherwise assessed as being financially sound. Where the Group 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 amount 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 .

Collateral held by the Group securing receivables are detailed in Note 8.

The Group 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 are provided in Note 8.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 8.

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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	Consolidated Group 2013 $	Consolidated Group 2012 $	Parent Entity 2013 $	Parent Entity 2012 $
Cash and cash equivalents					
— AA Rated		8,911,476	4,607,060	8,690,171	4,343,280
— A Rated		-	-	-	-
	7	8,911,476	4,607,060	8,690,171	4,343,280

b. **Liquidity risk**

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

— preparing forward-looking cash flow analyses 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 table below reflects an undiscounted contractual maturity analysis for non-derivative 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 Group has no control over the timing of any potential settlement of the liability. The Group does not hold any derivative financial liabilities directly.

Cash flows realised from financial assets reflect management'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

Consolidated Group	Within 1 Year 2013 $	Within 1 Year 2012 $	1 to 5 years 2013 $	1 to 5 years 2012 $	Over 5 years 2013 $	Over 5 years 2012 $	Total 2013 $	Total 2012 $
Financial liabilities due for payment								
Bank overdrafts and loans			17,902,593	17,976,855			17,902,593	17,976,855
Bank bills							-	-
Trade and other payables	1,133,287	1,273,761					1,133,287	1,273,761
Amounts payable to related parties							-	-
Financial lease liabilities							-	-
Financial guarantees							-	-
Total contractual outflows	1,133,287	1,273,761	17,902,593	17,976,855	-	-	19,035,880	19,250,616
Less bank overdrafts							-	-
Total expected outflows	1,133,287	1,273,761	17,902,593	17,976,855	-	-	19,035,880	19,250,616

Consolidated Group	Within 1 Year 2013 $	Within 1 Year 2012 $	1 to 5 years 2013 $	1 to 5 years 2012 $	Over 5 years 2013 $	Over 5 years 2012 $	Total 2013 $	Total 2012 $
Financial Assets - cash flows realisable								
Cash and cash equivalents	8,911,476	4,607,060					8,911,476	4,607,060
Trade, term and loan receivables	824,241	887,710		3,879			824,241	891,589
Other investments							-	-
Total anticipated inflows	9,735,717	5,494,770	-	3,879	-	-	9,735,717	5,498,649
Net (outflow) / inflow on financial instruments	8,602,430	4,221,009	(17,902,593)	(17,972,976)	-	-	(9,300,163)	(13,751,967)

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Financial liability maturity analysis

	Within 1 Year		1 to 5 years		Over 5 years		Total contractual cash flow	
	2013	2012	2013	2012	2013	2012	2013	2012
Parent Entity	$	$	$	$	$	$	$	$
Financial liabilities due for payment								
Bank overdrafts and loans			17,902,593	17,976,855			17,902,593	17,976,855
Trade and other payables	1,049,691	1,221,093					1,049,691	1,221,093
Total contractual outflows	1,049,691	1,221,093	17,902,593	17,976,855	-	-	18,952,284	19,197,948
Less bank overdrafts							-	-
Total expected outflows	1,049,691	1,221,093	17,902,593	17,976,855	-	-	18,952,284	19,197,948

	Within 1 Year		1 to 5 years		Over 5 years		Total contractual cash flow	
	2013	2012	2013	2012	2013	2012	2013	2012
Parent Entity	$	$	$	$	$	$	$	$
Financial Assets - cash flows realisable								
Cash and cash equivalents	8,690,171	4,343,280					8,690,171	4,343,280
Trade, term and loan receivables	800,246	885,749					800,246	885,749
Total anticipated inflows	9,490,417	5,229,029	-	-	-	-	9,490,417	5,229,029
Net (outflow) / inflow on financial instruments	8,440,726	4,007,936	(17,902,593)	(17,976,855)	-	-	(9,461,867)	(13,968,919)

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. Refer to Note 14 for further details.

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 Group is also exposed to earnings volatility on floating rate instruments. The financial instruments that expose the Group to interest rate risk are limited to borrowings, listed shares, cash and cash equivalents.

Sensitivity analysis

The following table illustrates sensitivities to the Group'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 also assume that the movement in a particular variable is independent of other variables.

	Consolidated Group		Parent Entity	
	Profit	Equity	Profit	Equity
Year ended 31 December 2013	$	$	$	$
+/- 2% in interest rates	81,181	81,181	81,181	81,181
+/- 2% in listed investments	-	-	-	-

	Consolidated Group		Parent Entity	
	Profit	Equity	Profit	Equity
Year ended 31 December 2012	$	$	$	$
+/- 2% in interest rates	64,763	64,763	64,673	64,673
+/- 2% in listed investments	-	-	-	-

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

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 amounts as presented in the statement of financial position. Refer to Note 26 for detailed disclosures regarding the fair value measurement of the group's financial assets and financial liabilities.

Differences between fair values and carrying amounts 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 Group. Most of these instruments, which are carried at amortised cost (ie trade receivables, loan liabilities), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Group.

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	Note	2013		2012	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Consolidated Group		$	$	$	$
Financial assets					
Cash and cash equivalents	7, 25(i)	8,911,476		4,607,060	
Trade and other receivables	8, 25(i)	824,241		887,710	
Loans and advances - related parties	8, 26	-		-	
		9,735,717	-	5,494,770	-
Total financial assets		9,735,717	-	5,494,770	-
Financial liabilities					
Trade and other payables	13, 25(i)	1,172,007		1,312,481	
Bank debt	14, 26	17,976,855		17,976,855	
Total financial liabilities		19,148,862	-	19,289,336	-

	Footnote	2013		2012	
		Net Carrying Value	Net Fair Value	Net Carrying Value	Net Fair Value
Parent Entity		$	$	$	$
Financial assets					
Cash and cash equivalents	7, 25(i)	8,690,171		4,343,280	
Trade and other receivables	8, 25(i)	800,246		885,749	
Loans and advances - related parties	8, 26				
		9,490,417	-	5,229,029	-
Total financial assets		9,490,417	-	5,229,029	-
Financial liabilities					
Trade and other payables	13, 25(i)	1,097,507		1,221,093	
Bank Loan	14, 26	17,902,593		17,976,855	
Total financial liabilities		19,000,100	-	19,197,948	-

(i) Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term instruments in nature whose carrying amounts are equivalent to their fair values.

Note 26 Fair Value Measurements

The Group measures and recognises the following assets at fair value on a recurring basis after initial recognition:
— available-for-sale financial assets; and
— freehold land and buildings.

The Group does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

(a) Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the financial statements.

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH ABN: 44 673 398 674
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

Note 27 Entity 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

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH ABN: 44 673 398 674
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

Note 28 Detailed Income and Expenditure Statement

	2013	2012
		$
INCOME		
Rental Income	1,288,126	1,279,925
Certified Agreement Levy	1,278	1,645
SACS EIP Program 2013	9,241	0
Interest	176,519	148,516
Membership Subscriptions	21,515,456	19,313,298
Other Income	31,872	32,244
Profit/(Loss) on Sale of Furniture & Equipment	4,265	240
Work Partners Rebates	0	420
Public Education Campaign levy	1,299,333	1,064,689
TOTAL INCOME	24,326,090	21,840,977
EXPENSES		
Affiliation Fees	2,356,664	2,124,629
Campaigns		
Certified Agreement Levy		
Other Campaigns	670,297	1,323,598
Public Education Campaign Levy	700,975	1,248,376
Communications : Telephone, Fax & Internet	285,283	230,774
Conferences		
Annual Conference	(4,450)	(244)
Other Conferences & Forums	95,089	84,192
Donations	14,204	31,745
Equipment		
Furniture, Computer & Equipment Sundry Items	155,959	18,757
Depreciation	812,313	1,164,176
Lease & Rental Costs	71,546	65,515
Maintenance Of Computers & Equipment	56,896	150,008
Functions and Farewells	12,447	44,666
Impairment expenses		
Income Tax		
Legal Expenses	1,020,240	1,088,504
Library/Information Services	81,026	66,506
Membership Services	674,644	1,177,187
Motor Vehicle Fleet Costs	615,670	574,959
Miscellaneous	6,120	2,193
Office Expenses		
Audit	35,850	34,409

Bad Debts Written Off	3,300	84
Bank Charges		
Office Requisites & Paper	26,800	36,379
Postage	55,695	77,795
Subscription Collection Costs	197,893	179,910
Publications	673,372	675,717
Regional Offices : Rent, Rates, Telephone, etc	171,382	165,254
Rent and Outgoings : Trenerry Crescent	1,336,849	1,865,316
Salaries		
Annual Leave	48,282	(134,235)
Gov Paid Parental Leave	22,286	10,811
Fringe Benefits Tax	59,717	45,148
Superannuation D&D	63,779	72,190
Leadership & Others	7,905,054	7,812,153
Long Service Leave	106,748	85,776
Other Salary Costs	177,686	195,232
Payroll Tax	451,314	437,751
Sick Leave		
Staff Benefits Reserve	0	156
Superannuation	1,260,269	1,229,354
Performance & Development	1,569	200
Training	83,785	40,944
Teams	4,877	671
Workcover	104,220	100,385
Scholarship - Jack Keating	25,000	0
Structures	363,715	475,557
Travel Expenses	91,518	74,916
TOTAL EXPENSES	20,895,883	22,877,414
OPERATING SURPLUS(LOSS)	3,430,207	(1,036,437)

AUSTRALIAN EDUCATION UNION
Victorian Branch
112 Trenerry Crescent Abbotsford 3067
PO Box 363 Abbotsford 3067
ABN: 44873398674
telephone: 03 9417 2822; 1800 013 379 fax: 1300 658 078 web: www.aeuvic.asn.au email: melbourne@aeuvic.asn.au

COMMITTEE OF MANAGEMENT STATEMENT

On 2 May 2014 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 2013. 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 General Manager per section 253 of the Fair Work (Registered Organisations) Act 2009;

(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 Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; 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 Fair Work (Registered Organisations) Act 2009 has been furnished to the member or Registrar; and

(v) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009.

(e) In relation to recovery of wages activity:

(i) there has been no such activity undertaken by the reporting unit.

(f) The Financial Statements and notes comply with the Australian Accounting Standards.

(g) The Victorian Branch is one of several reporting units comprising the federally registered union ("the organisation". The financial records have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation.

For Committee of Management: **Gillian Robertson**
Title of Office held: **Branch Secretary**

Signature: ____________ Date: 2/5/2014

CHARMAN PARTNERS

Accountants & Advisors

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
ABN 44 673 398 674
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

We have audited the financial report of the Australian Education Union Victorian Branch, which comprises the consolidated statement of financial position as at 31 December 2013, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes, including the Committee of Management Statement, of the consolidated entity comprising the Australian Education Union Victorian Branch and the entities it controlled at the year's end or from time to time during the financial year.

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.

We meet the definition of approved auditor in Regulation 4 of the Fair Work (Registered Organisations) Regulation 2009.

As part of the audit of the financial statements, we have concluded that the management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements and the Fair Work (Registered Organisations) Regulations 2009.

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.

Name of Firm: **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 : 6th May 2014