

Report by Council

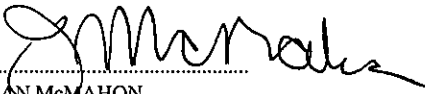
During the financial year, no officer of the Association, or any firm of which an officer is a member, or any body corporate in which an officer has a substantial interest, has received or become entitled to receive a benefit as a result of a contract between an officer, firm or body corporate and the Association, other than;

- benefits arising from the provision of certain minor goods or services in the normal course of the Association's activities.

During the financial year, no officer of the Association has received directly or indirectly from the Association any payment or other benefit of a pecuniary value, other than in the case of officers employed by the Association, approved salaries which have been determined in accordance with general market conditions.

Dated at Adelaide this 3rd day of August 2009.

Signed in accordance with a resolution of the Council.


.....
JAN McMAHON


.....
CHRISTOPHER HALL

Public Service Association of South Australia Incorporated

**Income Statement
For the year ended 30 June 2009**

	Note	2009	2008
		\$	\$
Revenue	2	6,659,778	6,553,736
Other income	2	46,931	46,966
Discount Products Income	2	5,861,899	4,920,381
Less Cost of Goods Sold Discount Products	2	<u>(5,861,899)</u>	<u>(4,920,381)</u>
		6,706,709	6,600,702
Employee expenses	3	(3,650,683)	(3,456,590)
Affiliation expenses		(317,571)	(328,077)
Depreciation expenses		(217,612)	(208,736)
Insurance & Legal expenses		(343,417)	(296,887)
Legal Service Scheme		(137,130)	(156,627)
Office expenses		(695,293)	(608,369)
Ambassador card expenses		(150,000)	(150,000)
Repairs & maintenance expenses		(195,966)	(176,054)
Post, telephone, review expenses		(288,164)	(273,076)
Services expenses		(594,643)	(583,295)
Loss on sale of non-current assets		(25,207)	-
Profit before financing income		<u>91,023</u>	<u>362,991</u>
Financial income	5	1,080,508	1,042,630
Net financing income		<u>1,080,508</u>	<u>1,042,630</u>
Profit for the period		<u>1,171,531</u>	<u>1,405,621</u>

The above Income Statement should be read in conjunction with the accompanying notes set out on pages 14 to 28.

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Public Service Association of South Australia Incorporated
Statement of Recognised Income and Expense
For the year ended 30 June 2009

	2009	2008
	\$	\$
Change in fair value of equity securities available-for-sale	-	(17,520)
Net income recognised directly in equity	<u>-</u>	<u>(17,520)</u>
Profit for the period	1,171,531	1,405,621
Total recognised income and expense for the period	<u>1,171,531</u>	<u>1,388,101</u>
Attributable to:		
Equity holder		
Total recognised income and expense for the period	<u>1,171,531</u>	<u>1,388,101</u>

Other movements in equity arising from transactions with owners as owners are set out in Note 12.

The above Statement of Recognised Income and Expense should be read in conjunction with the accompanying notes set out on pages 14 to 28.

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Public Service Association of South Australia Incorporated
Balance Sheet
As at 30 June 2009

	Note	2009 \$	2008 \$
Current Assets			
Cash and cash equivalents	6	15,999,842	14,686,672
Trade and other receivables	7	197,621	174,874
Prepayments		240,313	186,648
Inventories		197,814	172,107
Total current assets		<u>16,635,590</u>	<u>15,220,301</u>
Non Current Assets			
Available-for-sale investments	8	2	2
Property, plant and equipment	9	4,575,410	4,640,009
Total non-current assets		<u>4,575,412</u>	<u>4,640,009</u>
Total assets		<u>21,211,002</u>	<u>19,860,310</u>
Current Liabilities			
Trade and other payables	10	474,590	410,727
Legal Services Scheme		60,276	65,584
Employee benefits	11	984,339	938,837
Total current liabilities		<u>1,519,205</u>	<u>1,415,148</u>
Non-Current Liabilities			
Employee benefits	11	489,345	414,241
Total non-current liabilities		<u>489,345</u>	<u>414,241</u>
Total liabilities		<u>2,008,550</u>	<u>1,829,389</u>
Net Assets		<u>19,202,452</u>	<u>18,030,921</u>
Equity			
Reserves	12	2,608,990	2,497,456
Retained earnings	12	16,593,462	15,533,465
Total equity attributable to equity holder	12	<u>19,202,452</u>	<u>18,030,921</u>

The above Balance Sheet should be read in conjunction with the accompanying notes set out on pages 14 to 28.

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Public Service Association of South Australia Incorporated
Statement of Cash Flows
For the year ended 30 June 2009

	2009	2008
	\$	\$
Cash flows from operating activities	Note	
Receipts from members	12,866,117	11,497,064
Receipts from holiday homes	149,831	150,129
Payments to suppliers	(12,867,638)	(11,140,186)
Other cash income received	290,817	299,724
Net cash from operating activities	18 <u>439,127</u>	<u>806,731</u>
Cash flows from investing activities		
Proceeds on disposal of fixed assets	93,409	-
Proceeds from disposal of investments	-	1,500,001
Payment for property, plant & equipment	(271,629)	(169,333)
Investment income received	1,052,267	1,004,099
Net cash from investing activities	<u>874,047</u>	<u>2,334,767</u>
Net increase in cash and cash equivalents	1,313,170	3,141,498
Cash and cash equivalents at 1 July	14,686,672	11,545,174
Cash and cash equivalents at 30 June	6 <u>15,999,842</u>	<u>14,686,672</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes set out on pages 14 to 28.

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Public Service Association of South Australia Incorporated
Notes to the Financial statements
For the year ended 30 June 2009

Note 1 Significant accounting policies

The Association is domiciled in Australia. The Association was Incorporated in Australia.
The address of the Association's registered office is 122 Pirie Street Adelaide South Australia.

This financial report was authorised for issue by the Council on 3rd August 2009.

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ("AASB"), (including Australian Interpretations), and the Associations Incorporations Act 1985 (as amended).

(b) Basis of Preparation

The financial report is presented in Australian dollars.

The financial report is prepared on the historical cost basis except that available for sale investments are stated at their fair value. Other non-current assets are stated at the lower of cost and fair value less costs to sell.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by the Association.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and the future periods if the revision affects both current and future periods.

The accounting policies set out below have been applied consistently to all periods presented in the financial report.

New standards and interpretations not yet adopted.

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial implication. They are available for early adoption at 30th June 2009, but have not been applied in preparing this financial report:

Revised AASB 101 Presentation of Financial Statements (2007) introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with members in their capacity as members. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-member changes in equity in a single statement) or, in a income statement and a separate statement of comprehensive income. Revised AASB 101, which becomes mandatory for the Association's 30 June 2010 financial statements, is expected to have a significant impact on the presentation of the financial statements. The Association plans to provide total comprehensive income in a single statement of comprehensive income for its 2010 financial statement.

(c) Taxation

The Association is exempt from paying income tax due to being a trade union in terms of Section 50 (15) of the Income Tax Assessment Act 1997.

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Public Service Association of South Australia Incorporated
Notes to the financial statements
For the year ended 30 June 2009

(d) Property, Plant and equipment

(i) Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 1(i)).

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

(ii) Leased assets

Leases in terms of which the entity assumes substantially all the risks and rewards of ownership are classified as finance leases. Lease payments are accounted for as described in Note 1(o).

(iii) Subsequent costs

The Association recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Association and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

(iv) Depreciation

Depreciation is charged to the income statement on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives in the current and comparative periods are as follows:

- * buildings 40 years

- * plant and equipment 3 - 5 years

(e) Intangible assets

(i) Computer Software

Significant items of computer software are stated at cost less accumulated amortisation and impairment losses. Minor expenditure on computer software is expensed as incurred.

(ii) Amortisation

Amortisation is charged to the statement on a straight line basis over the estimated useful lives of each item of computer software from the date it is acquired and is ready for use. Estimated useful lives are deemed to be 2-3 years. Remaining useful lives are reassessed annually. No residual value is assumed.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventories is based on the amount paid.

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Public Service Association of South Australia Incorporated
Notes to the financial statements
For the year ended 30 June 2009

(g) Trade and other receivables

Trade and other receivables are stated at their cost less impairment losses (see note 1(i)).

(h) Cash and cash equivalents

Cash and cash equivalents comprises cash at call and term deposits.

(i) Impairment

The carrying amounts of the Association's assets other than inventories (see note 1(f)) are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated (see note 1 i (i)).

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

When a decline in the fair value of an available-for-sale financial asset, being the investment assets, has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in the profit or loss.

(i) Calculation of recoverable amount

The recoverable amount of the Association's receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (ie the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their net selling price and value in use. In the case of a non-current asset of a not-for-profit entity, "value in use" means "depreciated replacement cost" of an asset when the future economic benefits of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits.

Depreciated replacement cost is defined as the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. The current replacement cost of an asset is its cost measured by reference to the lowest cost at which the gross future economic benefits of that asset could currently be obtained in the normal course of business.

(ii) Reversal of impairment

An impairment loss in respect of receivables carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Impairment losses recognised in the profit or loss for an investment in an equity instrument classified as available-for-sale, shall not be reversed through the profit or loss.

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Public Service Association of South Australia Incorporated
Notes to the financial statements
For the year ended 30 June 2009

(j) Investments

Investments in equity securities are held directly, classified as being available-for-sale, and stated at fair value. Any resultant gain or loss is recognised directly in equity, except for impairment losses.

The fair value of investments held as available-for-sale is their quoted bid price at the balance sheet date.

If the cumulative loss recognised directly in equity in relation to any investment is considered to be due to impairment, that cumulative loss is recognised in the income statement. When investments are derecognised, as a result of sale, the cumulative gain or loss previously recognised directly in equity is transferred to the income statement.

Investments are recognised/derecognised by the Association on the date it commits to purchase/sell the investments.

(k) Employee benefits

(i) Long-term service benefits

The Association's net obligation in respect of long-term service benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation discounted to its present value and fair value of any related assets is deducted. The discount rate is the yield at the balance sheet date on government bonds that have maturity dates approximating the terms of the Association's obligations.

(ii) Wages, salaries and annual leave

Liabilities for wages, salaries and annual leave that are expected to be settled within 12 months of reporting date, represent present obligations resulting from employees' services provided to reporting date and are measured as the undiscounted amounts based on wages and salary rates that the Association expects to pay as at reporting date including related on-costs.

(iii) Termination Payment

Redundancy entitlements for all eligible employees are as prescribed in Clause 22 of the PSA Staff Enterprise Agreement. Further, those eligible employees who commenced employment prior to 1993 are also entitled to a termination payment of 6% and 9% of current annual salary for each year of service for Administrative and Industrial staff respectively.

(l) Provisions

A provision is recognised in the balance sheet when the Association has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

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Public Service Association of South Australia Incorporated
Notes to the financial statements
For the year ended 30 June 2009

(m) Trade and other payables

Trade and other payables are stated at cost.

(n) Revenue

(i) Members' Subscriptions

Members' subscriptions are accounted for on a cash receipts basis, net of goods and services tax (GST).

(ii) Rental Revenue

Rental revenue is recognised as it comes due, net of GST.

(iii) Interest Revenue

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

(iv) Discount Products Revenue

Member sales of discount products are sold at cost and are accounted for on a cash receipts basis, net of goods and services tax (GST).

(o) Expenses

(i) Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

(p) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

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

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

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Public Service Association of South Australia Incorporated
Notes to the financial statements
For the year ended 30 June 2009

(q) Financial risk management

Overview

The Association has exposure to the following risks from use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Association's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout this financial report.

The Council has overall responsibility for risk management and oversight of the Association's investments. Management policy has been established to identify and analyse the risk faced by the Association, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Credit Risk

Credit risk is the risk of financial loss to the Association if a customer fails to meet payment obligations, and arises principally from the Association's receivables from customers.

Trade receivables

The Association's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Only 5% (2008:5%) of the Association's revenue is from trade receivables. The Association's trade receivables relate only to the Public Service Association tenants and Government Agencies. Credit ratings on tenants are established prior to signing of lease agreements. All of the Associations' customers have been transacting with the Association for over four years, and no losses have been incurred to date.

Investments \ Cash and Cash Equivalents

The Association limits its exposure to credit risk by only investing in Fixed Term Deposits with a regulated Financial Institution.

Liquidity Risk

Liquidity risk is the risk that the Association will not be able to meet its financial obligations as they fall due. The Association's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Association's reputation. The Association has no borrowings or overdraft facilities in place and is always in a position to meet expected operational expenses, including the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Market Risk

Market risk is the risk that changes in interest rates will affect the Association's income or the value of financial instruments.

Interest Rate Risk

The Association adopts a policy of ensuring that investments are for fixed term with a fixed interest rate for that chosen term. The Association has adopted the Commonwealth of Australia Government Guarantee on the total of the investments in the fixed term deposits.

Capital Management

The Association policy is to maintain a strong capital base so as to maintain member and creditor confidence and to sustain future development of the Association. There were no changes in the Association's approach to capital management during the year. The Association is not subject to externally imposed capital requirements.

Public Service Association of South Australia Incorporated
Notes to the financial statements
For the year ended 30 June 2009

	2009	2008
	\$	\$
Note 2 Revenue		
Members Subscriptions	6,279,235	6,153,616
Rental Revenue	380,543	400,120
Discount Products Income	5,861,899	4,920,381
Less Cost of Goods Sold Discount Products	(5,861,899)	(4,920,381)
Revenue	<u>6,659,778</u>	<u>6,553,736</u>
Other Income		
Industrial Contract Services Fees	46,931	46,966
	<u>46,931</u>	<u>46,966</u>
Note 3 Employee expenses		
Wages and salaries	2,944,172	2,747,187
Superannuation Contributions	585,905	584,014
Increase in liability for employee benefits	120,606	125,389
	<u>3,650,683</u>	<u>3,456,590</u>
Note 4 Auditors' remuneration		
Audit services		
Auditing the financial reports	28,000	26,000
Other Services		
Taxation and accounting services	17,221	11,785
	<u>45,221</u>	<u>37,785</u>
Note 5 Net financing income		
Interest income	1,080,508	1,042,630
Financial Income	<u>1,080,508</u>	<u>1,042,630</u>
Net financing income	<u>1,080,508</u>	<u>1,042,630</u>
Note 6 Cash and cash equivalents		
Cash at bank and Term deposits	15,999,842	14,686,672
Balance as per statement of cash flows	<u>15,999,842</u>	<u>14,686,672</u>
Note 7 Trade and other receivables		
Trade receivables	35,259	40,753
Interest receivable	162,362	134,121
	<u>197,621</u>	<u>174,874</u>
Note 8 Available-for-sale investments		
Shares in S&L Credit Union (S.A.) Limited	2	2
	<u>2</u>	<u>2</u>

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Public Service Association of South Australia Incorporated
Notes to the financial statements
For the year ended 30 June 2009

Note 9 Property, plant and equipment

	Land	Buildings	Plant and Equipment	Total
	\$	\$	\$	\$
Cost				
Balance at 1 July 2007	2,101,757	3,380,445	3,079,717	8,561,919
Acquisitions	-	-	169,333	169,333
Disposals	-	-	-	-
Balance at 30 June 2008	<u>2,101,757</u>	<u>3,380,445</u>	<u>3,249,050</u>	<u>8,731,252</u>
Balance at 1 July 2008	2,101,757	3,380,445	3,249,050	8,731,252
Acquisitions	-	-	271,629	271,629
Disposals	-	-	(272,898)	(272,898)
Balance at 30 June 2009	<u>2,101,757</u>	<u>3,380,445</u>	<u>3,247,781</u>	<u>8,729,983</u>
Depreciation and impairment losses				
Balance at 1 July 2007	-	1,212,335	2,670,172	3,882,507
Depreciation charge for the year	-	84,282	124,454	208,736
Disposals	-	-	-	-
Balance at 30 June 2008	<u>-</u>	<u>1,296,617</u>	<u>2,794,626</u>	<u>4,091,243</u>
Balance at 1 July 2008	-	1,296,617	2,794,626	4,091,243
Depreciation charge for the year	-	84,282	133,330	217,612
Disposals	-	-	(154,282)	(154,282)
Balance at 30 June 2009	<u>-</u>	<u>1,380,899</u>	<u>2,773,674</u>	<u>4,154,573</u>
Carrying amounts				
At 1 July 2007	<u>2,101,757</u>	<u>2,168,110</u>	<u>409,545</u>	<u>4,679,412</u>
At 30 June 2008	<u>2,101,757</u>	<u>2,083,828</u>	<u>454,424</u>	<u>4,640,009</u>
At 30 June 2008	2,101,757	2,083,828	454,424	4,640,009
At 30 June 2009	<u>2,101,757</u>	<u>1,999,546</u>	<u>474,107</u>	<u>4,575,410</u>

	2009	2008
	\$	\$
Note 10 Trade and other payables		
Trade payables and accruals	357,860	308,591
Unearned Subscriptions	116,730	102,136
	<u>474,590</u>	<u>410,727</u>

	2009	2008
	\$	\$
Note 11 Employee benefits		
Current		
Liability for annual leave	267,927	293,098
Liability for long service leave	127,696	110,641
Liability for termination payments	588,716	535,098
	<u>984,339</u>	<u>938,837</u>
Non-Current		
Liability for long service leave	<u>489,345</u>	<u>414,241</u>
Total employee benefits	<u>1,473,684</u>	<u>1,353,078</u>

Public Service Association of South Australia Incorporated
Notes to the Financial Statements
For the year ended 30 June 2009

Note 12 Reserves

(i) Reconciliation of movement in reserves

	Fair Value Reserve	Legal Services Scheme Reserve	Campaign Fund Reserve	Computer Installation Reserve	Jim Otte Scholarship Fund	Asset Replacement Reserve	Retained Earnings	Total Equity
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at July 2007	17,520	1,019,107	482,515	400,000	389,323	100,000	14,234,355	16,642,820
Total recognised income and expense	(17,520)	-	-	-	-	-	1,405,621	1,388,101
Transfer(to)/from reserve	-	-	-	-	-	-	(106,511)	(106,511)
Transfer(to)/from retained earnings	-	74,624	-	-	31,887	-	-	106,511
Balance at 30 June 2008	-	1,093,731	482,515	400,000	421,210	100,000	15,533,465	18,030,921
Balance at 1 July 2008	-	1,093,731	482,515	400,000	421,210	100,000	15,533,465	18,030,921
Total recognised income and expense	-	-	-	-	-	-	1,171,531	1,171,531
Transfer(to)/from reserve	-	-	-	-	-	-	(111,534)	(111,534)
Transfer(to)/from retained earnings	-	82,555	-	-	28,979	-	-	111,534
Balance at 30 June 2009	-	1,176,286	482,515	400,000	450,189	100,000	16,593,462	19,202,452

Nature and purpose of reserves

Fair Value Reserve

The fair value reserve includes the cumulative net change in the fair value of available-for-sale investments until the investment is derecognised through sale. Impairment losses are transferred to the income statement.

Legal Services Scheme Reserve

The Legal Services Scheme Reserve represents the accumulated contributions of members, and interest accrued thereto, net of legal expenses incurred for which the scheme has no current obligation. The current obligation is recognised in the Provision for the Legal Services Scheme. This reserve is to be utilized solely for the purpose of meeting the legal expenses of members in accordance with the terms and conditions of the Legal Services Scheme.

Computer Installation Reserve

The objective of the Computer Installation Reserve is to ensure that there are sufficient funds for future capital replacement for computer hardware and software.

Campaign Fund Reserve

The Campaign Reserve relates to funds set aside for future campaigns.

Asset Replacement Reserve

The objective of the Asset Replacement Reserve is to ensure that there are sufficient funds for future capital replacement of property, plant and equipment.

Jim Otte Scholarship Fund

The Jim Otte Scholarship Fund was established in 1988. The fund assists members to undertake union related study and or research.

Public Service Association of South Australia Incorporated
Notes to the financial statements
For the year ended 30 June 2009

Note 13 Financial instruments

Financial Instruments Credit Risk

The carrying amount of the Association's financial assets represents the maximum credit exposure.

The Association's maximum exposure to credit risk at the reporting date was-

	Note	Carrying amount	
		2009	2008
Cash and cash equivalents	6	\$ 15,999,842	\$ 14,686,672
Trade and other receivables	7	197,621	174,874
Shares in Savings & Loans Credit Union	8	2	2
		<u>16,197,465</u>	<u>14,861,548</u>

The Association's maximum exposure to credit risk at the reporting date was \$16,197,465, (2008: \$14,861,548).

The Association's maximum exposure to credit risk for trade receivables at the reporting date by geographic region was ;

	Note	Carrying amount	
		2009	2008
Australia	7	\$ 35,259	\$ 40,753
		<u>35,259</u>	<u>40,753</u>

The Association's most significant customer, a tenant, accounts for \$6,103 of the trade receivables carrying amount at 30 June 2009 (2008: \$5,797).

None of the Association's receivables are past due (2008: nil). The ageing of the Association's trade receivables at the reporting date was:

	Note	Gross	Impairment	Gross	Impairment
		2009	2009	2008	2008
Not past due		\$ 35,259	\$ -	\$ 40,753	\$ -
Past due 0-30 days		-	-	-	-
Past due 31-120 days		-	-	-	-
Past due 121 to one year		-	-	-	-
	7	<u>35,259</u>	<u>-</u>	<u>40,753</u>	<u>-</u>

No impairment loss was recognised in the current year (2008: nil).

Public Service Association of South Australia Incorporated
Notes to the financial statements
For the year ended 30 June 2009

Liquidity Risk

The following are the contracted maturities of financial liabilities of the Association:

	Carrying amount	6 mths or less
30 June 2009	Note	\$
Trade and other payables	474,590	474,590
	10	474,590

Trade creditor payments are made as per creditors payment terms.

	Carrying amount	6 mths or less
30 June 2008	Note	\$
Trade and other payables	410,727	410,727
	10	410,727

Interest rate risk

Profile

At the reporting date the interest rate profile of the Association's interest bearing financial instruments was:

	Carrying amount	
Interest Bearing Instruments	2009	2008
	\$	\$
Financial assets	15,999,842	14,686,672
	15,999,842	14,686,672

Cash flow sensitivity analysis for interest bearing instruments

A change of 250 basis points (ie 2.5%) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the basis of 100 basic points (ie 1%) for 2008.

	Profit or Loss		Equity	
	250bp increase \$	250bp decrease \$	250bp increase \$	250bp decrease \$
30 June 2009				
Interest bearing instruments	(386,856)	386,856	(386,856)	386,856
Cash flow sensitivity	(386,856)	386,856	(386,856)	386,856
	Profit or Loss	Equity	Profit or Loss	Equity
	100bp increase \$	100bp decrease \$	100bp increase \$	100bp decrease \$
30 June 2008				
Interest bearing instruments	(125,369)	125,369	(125,369)	125,369
Cash flow sensitivity	(125,369)	125,369	(125,369)	125,369

Fair Values

Fair values versus carrying amounts

The fair values of the financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

	Note	30 June 2009		30 June 2008	
		Carrying amount \$	Fair value \$	Carrying amount \$	Fair value \$
Cash & Cash Equivalents	6	15,999,842	15,999,842	14,686,672	14,686,672
Trade & other receivables	7	197,621	197,621	174,874	174,874
Shares in S&L Credit Union	8	2	2	2	2
Trade and other payables	10	(474,590)	(474,590)	(410,727)	(410,727)
		15,722,875	15,722,875	14,450,821	14,450,821

Public Service Association of South Australia Incorporated
Notes to the financial statements
For the year ended 30 June 2009

Note 13 Financial instruments

Interest rate risk exposure

The Association's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the following table.

Exposure arises predominantly from assets and liabilities bearing variable interest rates.

2009	Fixed Interest maturing in:			Non-Interest Bearing	Total
	1 year or less	1 to 5 years	Over 5 years		
	\$	\$	\$	\$	\$
	Notes				
Financial assets					
Cash and cash equivalents	6	15,999,842	-	-	15,999,842
Trade and other receivables	7	-	-	197,621	197,621
Shares in S&L Credit Union	8	-	-	2	2
		<u>15,999,842</u>	<u>-</u>	<u>197,623</u>	<u>16,194,465</u>
Weighted average interest rate		6.88%			
Financial liability					
Trade & other payables	10	-	-	474,590	474,590
		<u>-</u>	<u>-</u>	<u>474,590</u>	<u>474,590</u>
Net financial assets/(liabilities)		<u>15,999,842</u>	<u>-</u>	<u>(276,967)</u>	<u>15,719,875</u>
	Notes				
Financial assets					
Cash and cash equivalents	6	14,686,672	-	-	14,686,672
Trade and other receivables	7	-	-	174,874	174,874
Shares in S&L Credit Union	8	-	-	2	2
		<u>14,686,672</u>	<u>-</u>	<u>174,876</u>	<u>14,861,548</u>
Weighted average interest rate		8.19%			
Financial liability					
Trade & other payables	10	-	-	410,727	410,727
		<u>-</u>	<u>-</u>	<u>410,727</u>	<u>410,727</u>
Net financial assets/(liabilities)		<u>14,686,672</u>	<u>-</u>	<u>(235,851)</u>	<u>14,450,821</u>

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Public Service Association of South Australia Incorporated
Notes to the financial statements
For the year ended 30 June 2009

2009 2008
 \$ \$

Note 14 Operating leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

No later than one-year	22,512	17,072
Later than one year but not later than five years	75,536	-
	98,048	17,072

The Association leases photocopiers under non-cancellable operating leases expiring from one to five years. Lease payments comprise a minimum base amount.

Leases as lessor

The Group leases out a proportion of their premises on Pirie Street held under Property Lease.

The future minimum lease payments are as follows.

2009 2008
 \$ \$

Less than one year	226,265	249,762
Between one and five years	127,978	197,537
	354,243	447,299

During the year ended 30th June 2009 \$238,292 was recognised as rental income from the Pirie Street property lease in the income statement (2008: \$249,762). Repair and maintenance expense recognised in the costs was as follows.

2009 2008
 \$ \$

Income generating property.	91,981	85,027
	91,981	85,027

Note 15 Capital commitments

- 101,900

2009 2008
 \$ \$

Note 16 Payments to Related Organisations

Affiliation fees	317,571	328,077
Other Services	18,659	18,452
	336,230	346,529

Note 17 Donations

Rotary Club of Adelaide	350	-
BMC Childrens Christmas	250	227
SA May Day Committee	350	-
Asbestos Victim Association	-	1,000
Lions Hearing Dogs Incorporated	-	350
Public Service Golf Day	350	350
Don Dunstan Foundation	200	-
World Vision	-	500
Cancer Council Relay For Life	-	200
Australian Lions Children Mobility Foundation	850	350
	2,350	2,977

Public Service Association of South Australia Incorporated
Notes to the financial statements
For the year ended 30 June 2009

	2009	2008
	\$	\$
Note 18 Reconciliation of cash flows from operating activities		
Profit for the period	1,171,531	1,405,621
<i>Adjustments for:</i>		
Non cash items:		
Depreciation	217,612	208,736
Loss on Sale of assets	25,207	-
Items treated as Investing:		
Investment income	(1,052,267)	(1,004,099)
Operating profit before changes in working capital and provisions	362,083	610,258
(increase)/decrease in prepayments	(53,664)	50,221
(increase)/decrease in inventory	(25,706)	42,728
(increase)/decrease in other debtors	(22,746)	(35,537)
(decrease)/increase in creditors & accruals	49,268	17,822
(decrease)/increase in unearned revenue	14,595	2,628
(decrease)/increase in provision for Legal Services Scheme	(5,309)	(6,778)
(decrease)/increase in provisions for employee entitlements	120,606	125,389
Net cash from operating activities	439,127	806,731

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Public Service Association of South Australia Incorporated
Notes to the financial statements
For the year ended 30 June 2009

Note 19 Related party disclosures

(a) Councillors

The names of each person holding the position of councillor during the financial year are listed below. The persons listed held the position for the whole year unless otherwise stated.

Angelakis	Anna	
Beck	Andrew	
Bell-Corkin	Patricia	
Burford	Lesley	
Callaghan	Stephen	
Di Pardo	Sonia	
Griffiths	Michael	
Hall	Christopher	
Henderson	Sharon	
Hewish	Peter	
Hodge	Maxwell	
Houghton	Chris	
Hughes	Lesley	
Kitchin	Neville	
Martin	Jo-anne	
McKay	Mike	
McMahon	Jan	
Millison	Linda	
Naumov	Dianne	from 01/07/08-23/03/09
Owen	John	
Oxlad	Lindsay	
Prakash	Sharin	
Rankine	Di	
Reilly	Peter	
Sharrad	David	
Smith	Vicky	
Stitt	Robyn	
Townsend	Malcolm	
Warner	Margaret	
Williams	Wendy	
Wilson	Rosanne	

Note 20 Key management personnel compensation

The key management personnel include members of the Council and the Chief Industrial Officer.

The key management personnel compensation included in "employee expenses" is as follows:

	2009	2008
	\$	\$
Short-term employee benefits	405,134	381,639
Other long-term benefits	15,655	15,126
Post-employment benefits	55,221	64,409
Termination benefits	17,362	12,044
Total	493,372	473,218

Note 21 Subsequent events

There have been no events subsequent to balance date.

Public Service Association of South Australia Incorporated
Statement by Council to the Members
For the year ended 30 June 2009

1 In the opinion of the Council of Public Service Association of South Australia Incorporated:

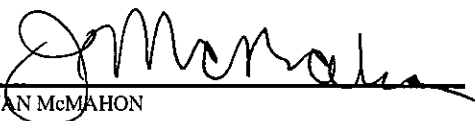
(a) the financial statements and notes, set out on pages 10 to 28, are drawn up so as to present fairly the results and cash flows of the Association for the financial year ended 30 June 2009 and the state of affairs of the Association as at that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

2 The financial statements have been made out in accordance with the Australian Accounting Standards (including Australian Interpretations) and the provisions of the Associations Incorporations Act 1985 (as amended).

Dated at Adelaide this 3rd day of August 2009.

Signed in accordance with a resolution of the Council


JAN McMAHON


CHRISTOPHER HALL



Independent auditor's report to the members of the Public Service Association of South Australia Incorporated

We have audited the accompanying financial report of the Public Service Association of South Australia Incorporated (the Association), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of recognised income and expense and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes 1 to 21 and the Council's declaration set out on pages 10 to 29.

Councillor's responsibility for the financial report

The Association's Councillors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Associations Incorporation Act 1985 (as amended)*. 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 Councillors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Associations Incorporation Act 1985 (as amended)* and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Association's financial position and of its performance.

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



Auditor's opinion

In our opinion the financial report of the Public Service Association of South Australia Incorporated is in accordance with the *Associations Incorporation Act 1985 (as amended)*, including:

- (a) presenting fairly the Association's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations).

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Paul Cenko
Partner

Adelaide

3 August 2009